CALVIN *and* COMMERCE

The Calvin 500 Series

CALVIN *and* COMMERCE

THE TRANSFORMING POWER OF CALVINISM IN MARKET ECONOMIES

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Preface

This short treatise should be viewed as a dialogue, except lacking the artistry of distinct voices from various characters. Although our feeble efforts below will never rank with classic dialogues like Plato's *Republic*, Buchanan's *The Crown Rights of Scotland*, Hume's *Dialogues Concerning Natural Religion*, or Lewis's *Screwtape Letters*, multiple voices may still serve to hold a reader's attention while instructing. While this book, at times, reveals the distinct voices of its authors—one a financial expert, the other a theologian—the voices also unite to form a chorus more often than not.

We believe that the reading public and business professionals can benefit from a nontechnical summary of the Calvinistic business ethic in the format below. Under the heading of the Calvinistic business ethic, this primer seeks to extract the major financial, business, and economic aspects of Calvin's teaching and then to apply them to modern markets and decisions. If the resulting dialogue sounds at times like a sixteenth-century theological voice conversing with a twenty-first-century market voice—and then back and forth—that is, in part, our goal. The voices of other advocates and adversaries are also represented in this discussion. Our hope is that this primer will provide an informed discussion of the spirit of Calvinism and how it has impacted business sectors.

Of course, this is not intended to be an economics textbook per se; nor is it exhaustive of all that Calvin wrote on subjects related to business and finance. Yet, in offering this work as part of the quincentennial celebration of John Calvin's birth, the authors believe that both a tribute and an elaboration of his thought on these subjects are worthwhile. We hope that under one cover a sufficient summary and representation of Calvin's views can be accessed. If, under the same cover, the reader also finds discussions about how Calvin's views unfolded, what consequences followed from them, and how his theories can be helpfully applied in modern societies, that is all the better. We believe that business leaders will appreciate Calvin's insights above most other audiences.

We invite the reader to sit in on our discussions. We are certain that the sum is greater than our individual voices. Doubtless, many others will add more to these discussions in the days ahead, but this update on the value of Calvinism, both for markets and for understanding business and economics, is intended for any who wish to understand our history.

We have no illusion either that this is an exhaustive treatment or that it answers all questions. A considerably humbler approach is adopted in which we wish simply to tell others what we have learned from Calvin and to apply aspects of his theology to the marketplaces that we encounter.

We wish to thank the following individuals for their help: Dr. Scott Cunningham and Dr. Jon Payne for reading the entire manuscript and providing extremely thoughtful suggestions and critiques, as a result of which this book has been immeasurably improved; Andrew Hall, an intern at Narwhal Capital Management, for his research and assistance; Michael Brock for many years of insight and friendship; David Westall for his clarifications and suggestions; Mac Plumart and Sean Dunehew, both of Narwhal Capital Management, for reading and tracking down stray references; and the Invisible Hand Foundation for its educational grant to assist in the final stages of this work.

This book is affectionately dedicated to our wives and children, without whom we freely confess we would be losers and slackers. It is also dedicated with our thanks to our fathers: to Jack Burton for modeling leadership and teaching me more than I can unpack in a lifetime; to Bob Matthews, who not only came to love Calvin's ideals but also is hands down the best businessman either of us hope to know; to Richard Hall, who taught me to live within means, to avoid excessive debt, and to work; and to Pat Fleming, who has given and continues to give us love, encouragement, leadership, and discernment.

Introduction

John Calvin (1509–1564), whose birth was celebrated in quincentennial fashion in 2009,[1] made one of his most enduring contributions as he paved the way for modern, market-based business practices. Standing at the juncture between the Middle Ages and early modernity, Calvin both witnessed and contributed to a sea change in the world's economy, and he did so upon an unapologetically faith-based platform.

One mid-twentieth-century summary of Calvin's teachings shows how advanced his ideas were over medieval teachings: "Few theologians related economic facts with the cosmic drama of redemption as clearly as Calvin did. For this reformer, wealth is only an agent in this drama, never neutral but always an instrument of grace or evil. This refusal to objectivize material goods stands out clearly in contrast to medieval thought."[2] Of course, Calvin did not glamorize poverty and sought to "rehabilitate material life"[3] as a part of human vocation and Christian obedience. Moreover, he was able—as many of his predecessors were not—to see that

1. Several biographies of Calvin are available at http://www.calvin500.org. A short one is also contained in the author's companion volume in the Calvin 500 series, *The Legacy of John Calvin: His Influence on the Modern World* (Phillipsburg, NJ: P&R Publishing, 2008), 43–81.

2. André Biéler, *Calvin's Economic and Social Thought* (1959; repr., Geneva: World Alliance of Reformed Churches, 2005), 302.

3. Ibid.

saving and profit could enhance future productivity, something that was different from selfish hoarding.

André Biéler has summarized Calvin's contributions this way: "By giving the faith the whole sphere of human activity, which Christians have to submit to the Lordship of Christ, Calvin undoubtedly bestowed on work, economic labor and money a place they had not previously had, and one that enabled Calvinists to draw from them all their human and social potentialities."[4]

From a slightly adversarial perspective, Calvin's role in business history has been assessed in these terms: "One who attempts tracing capitalistic development in whatever country of Europe . . . would always encounter one and the same fact: Calvinist *Diaspora* is at the same time a seedbed of capitalist economy. The Spaniards had expressed this in the following formula of bitter reflection: heretics facilitate trade spirit."[5] While some economists may assert that "the most noteworthy feature of the Protestant Ethic thesis is its absence of empirical support,"[6] others report:

> The Protestant Reformation triggered a mental revolution which made possible the advent of modern capitalism. The worldview propagated by Protestantism broke with traditional psychological orientations through its emphasis on personal diligence, frugality, and thrift, on individual responsibility, and through the moral approval it granted to risk-taking and to financial self-improvement.[7]

4. Ibid., 453.

5. Cited in Sergey N. Bulgakov, "The National Economy and the Religious Personality," *Journal of Markets and Morality* 11, no. 1 (Spring 2008): 167. (Orig. pub. 1909.)

6. Laurence R. Iannaccone, "Introduction to the Economics of Religion," *Journal of Economic Literature* 36 (September 1998): 1474.

7. Jacques Delacroix, "A Critical Empirical Test of the Common Interpretation of the Protestant Ethic and the Spirit of Capitalism" (paper presented at meetings of the International Association of Business and Society, Leuven, Belgium, 1972), 4. Cited in ibid., 1474.

Social theorist Rodney Stark has found liberty to be an essential ingredient for capitalism's growth. Like Max Weber a century earlier, Stark's recent work *The Victory of Reason: How Christianity Led to Freedom, Capitalism, and Western Success* seeks to answer why some European societies cultured capitalism whereas others did not. He suggests that many factors—such as the support of the clergy for capital markets, the belief that technological progress was a blessing and not a curse, education, manufacturing innovation, the rise of science, and expectations for rational management solutions—contributed to what is often spoken of as a Protestant ethic, which appeared simultaneously with the eruption of capitalism.[8] At least on the point of collecting interest, if not on business in general, Calvin's position is "absolutely decisive in the economic history of the West."[9]

While many have misread Calvin or think of him as equating material prosperity with eternal election, this study will show how inaccurate that caricature is. However, Calvin's contributions to the area of asset development are relatively stunning achievements, especially when one considers that his personal wealth was always modest and that he managed no financial business. He was a pastor, a churchman, who taught his people from the Scriptures, so recently rediscovered by the Protestant Reformation.

Before launching into the waters of Calvin's thought, honest readers will have to overcome the residual prejudice that stems from the criticisms and caricatures offered by the likes of Max Weber.[10] Although this prejudice often colors our perception of

8. Rodney Stark, *The Victory of Reason: How Christianity Led to Freedom, Capitalism, and Western Success* (New York: Random House, 2005), xiii, 38, 48, passim.

9. Biéler, *Calvin's Economic and Social Thought*, 400. Biéler also adds that "Calvin was the first theologian who removed the veto the Christian Church had from its origins laid on trade in money" (ibid., 402).

10. Max Weber (1864–1920) was a German sociologist who published numerous wide-ranging sociological studies, including one of the most thorough attempts to analyze the impact of Calvinism in economic sectors, *The Protestant Ethic and*

Calvin's beliefs, it is important that we commit ourselves to understanding what he actually taught.

To that end the modern reader must ask the following questions:

- What did Calvin teach or not teach that led to such massive change in business?
- Were his teachings quickly adopted and if so, by whom and where?
- What were his views of wealth, money, greed, and finance?
- Where can we find specific comments by Calvin on the subjects of wealth and commerce?
- What cultures either have benefited or might potentially benefit from Calvin's economic teachings?

This brief work attempts to answer those questions.

Accordingly, this also is an unabashedly theological work; to make it otherwise would be to distort the original sources. Thus, each chapter below centers on one mega-theological value: creation, the fall, redemption, philanthropy, stewardship, and eschatology. As we seek to understand Calvin's views on these topics, we will also measure the stalwart Protestant Reformer by the Scriptures themselves and analyze which business practices most concur with the biblical truths that fueled so much of Calvin's thinking.

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the Spirit of Capitalism (1905). Weber wrote that the obtaining of as much capital as possible with as little enjoyment as possible was the *summum bonum* of Calvinistic thinking. This work, which should be congratulated for seeking to explain the seismic shift in business that occurred after Calvin, surveyed various sects, contrasting the effectiveness of capital accrual among various Protestant groups. Weber sought to explicate Calvin's doctrine of calling, providence, thrift, and the use of creation and to explain why Calvinists seemed to blossom into communities of wealth. For a modern Roman Catholic response to Weber's thesis, see Michael Novak, *The Catholic Ethic and the Spirit of Capitalism* (New York: The Free Press, 1993). For an Orthodox response, see Sergey N. Bulgakov's pre-Bolshevik "The National Economy and the Religious Personality," 157–79.

Throughout we will discuss the paradigms presented by various business philosophies. Each school of thought has its own faults and weaknesses that support behavior or decisions that are contrary to certain economic realities. We will compare these various schools of thought to the business concepts contained in John Calvin's works. A secondary goal of this book is to point out the incompatibilities of various systems when compared to a transcultural standard, the Bible.

For the sake of clarity, let us take a brief moment to distinguish this book from other economic commentaries with a biblical approach. After all, there are many books that present various economic systems or business practices and attempt to overlay them with Christianity as a way of illustrating similarities and/or differences. As a result, many of these books reach the conclusion (either explicitly or implicitly) that Christianity and economics are two completely independent arenas of thought. In other words, the two linear schools of thought are examined for possible relationships at various points, but do not necessarily share an equation or even a single value. As a result, the two separate identities are used to evaluate or test each other.[11]

Our approach differs from that which regards Christianity and economics as two separate arenas. In contrast, we find that views about wealth flow from theology or ultimate values. The thesis of our claim is that financial and business concerns are not separate from but rather an extension of theological (in this case Christian) beliefs. Therefore, we will examine financial behavior under the biblical lens crafted by John Calvin. We will observe business and economic behavior in the same manner that one would observe the behavior of an individual on the Sabbath or the behavior of an individual under the influence of alcohol, thus determining which business decisions and actions are consistent

11. See, for example, Paul Heyne, *Are Economists Basically Immoral?* (Indianapolis: Liberty Fund, 2008).

with Scripture and which may be aptly characterized as sinful. For philosophical minds the logical hierarchy would radiate as follows: from religious beliefs flows theology; from theology flows political thought; political thought then flows to institutional thought; institutional thought flows to cultural thought; cultural thought flows to macroeconomic views; macroeconomic views flow to microeconomic views; and microeconomic views lead to personal economic decisions and actions.

Furthermore, this treatise will review business and financial concepts articulated by Calvin in an attempt to have the voice of this great Reformed thinker reintroduced to the marketplace of ideas. Embracing his belief that business practices are derived, in part, from theological thought, we will seek to mine his writings for useful lodestone, while also seeking to avoid naively collecting proof texts to demonstrate that Jesus was a tightfisted capitalist.

Values, Faith, and Truth

Not only do we believe that underlying values or idea-habits affect marginal economic decisions, but also this book accepts the reality that certain seed ideas—or presuppositions—can have immense effects on broader actions or systemic concerns. Accordingly, such presuppositions should be identified as a matter of intellectual honesty and understood for clarity. All economic systems and business cultures have core assumptions that are necessary in order to support the system's peripheral economic variables. The range of such presuppositions is so extensive that every economic system becomes attractive for certain constituent ideas. That partially explains why various economic theories and practices are appealing.

Just as historical epochs and literary time periods often commence as a reaction to an aspect of the past or present, so also economic actions develop as reactions to discontent, shortages, or excesses. Therefore, it would be naive to approach such a study without first recognizing the interconnectivity of the various economic systems and models. The common thread of the systems can often be identified accurately by each system's presuppositions. As John E. Stapleford states, "Economics is obviously about value—the relative worth of this coin to that loaf of bread—but it's also about *values*, and it always has been."[12]

Consider, for example, the underlying presuppositions of Karl Marx's socialist economy. While unpopular among conservatives and evangelicals, merit can be found—even if only at surface levels—in many of its assumptions and accompanying values. In fact, the general idea of equality for all is appealing in and of itself. Furthermore, the reduction of interclass struggle seems desirable at times. Similarly, the underlying presuppositions of the capitalist school of thought endorse the value of hard work through incentives. In both cases the economic theories have definite assumptions.

In reference to these two particular schools of thought, most scholars agree that Calvin's economic viewpoints are much closer to free-market capitalism than to centralized socialism. However, our intent is to avoid caricaturing Calvin as a proto-libertarian. Rather, we would argue simply that economic actions are both value-driven and based on foundational premises. Furthermore, this work asserts that Calvin's theological beliefs transcended religion and overflowed into the realm of business theory and behavior—not only in his explicit writing on these subjects, which influenced the modern development of economic theory, but also through his influence on the private business decisions of governments, families, and individuals.

12. John E. Stapleford, *Bulls, Bears & Golden Calves: Applying Christian Ethics in Economics* (Downers Grove, IL: InterVarsity Press, 2002), 35.

Moreover, awareness of such presuppositions is necessary when examining any economic or philosophic system. With that consideration in mind, it must be recognized that presuppositions and assumptions can greatly affect what is researched and how—ultimately even shaping ideology itself. Therefore, a competent study of any economic policy, business system, or financial theory requires extensive examination into the foundations of its worldview and some assessment of how those pillars affect the system's practices. Business theory is seldom a neutral proposition. Deconstruct any business theory, and its foundational presuppositions about the nature of man, the purpose of profit, poverty, providence, etc. will become clear. John Calvin spoke volumes on these subjects, and to ignore his voice is to overlook or minimize a key participant in the development of modern business theory. Furthermore, Calvin was quick to admit that all human thought flows from sound theology. To properly analyze a system of business or commerce, students need to ask the following: (1) What are the presuppositions that make a given business theory appealing? (2) What theological perspective supports those presuppositions? (3) Do the actual results of business practices stemming from a theory fit with its best presuppositions? Before we advance much further, a few examples will reinforce this initial point.

Karl Marx,[13] of course, was skeptical of capital accrual, criticizing capitalists as those who callously accumulate and profit. While we do not wish to be overly simplistic, it is hard not to think of Marx under the elementary rubric that economist Paul Samuelson provides. According to Samuelson, all economic systems seek to solve three problems: (1) What should be made? (2) Who should make it? (3) How much should be made? Samuelson then notes that historically there are two major solutions to this trilemma: centralized solutions or decentralized solutions.

13. A German philosopher and writer, Karl Marx (1818–1883) is referred to as the father of Marxism, upon which various strands of socialism and Communism have been constructed.

Karl Marx provided one of the strongest arguments for a centralized solution, while simultaneously offering one of the boldest countermovements to capitalism. His centralized economic model held that private property was more of a curse than a blessing. Many economic systems today have taken that to heart and although we wish we could confidently affirm that the world is a better place for it, conclusive proof is lacking. Marx contended that "the pursuit of self-interest would lead to anarchy, crisis, and the dissolution of the private property-based system itself . . . for Marxism the simile is the iron fist of competition, pulverizing the workers and making them worse off than they would be in another feasible system, namely one based on social or public ownership of property."[14]

His ideas were not shrouded in mystery. *The Communist Manifesto* included a ten-point program, advocating the following:

1. The abolition of property in land and the application of all rents of land to public purposes.
2. A heavy progressive, graduated income tax.
3. The abolition of all right of inheritance.
4. The confiscation of the property of all emigrants and rebels.
5. The centralization of credit in the hands of the state by means of a national bank with state capital and an exclusive monopoly.
6. The centralization of the means of communication and transport in the hands of the state.
7. The extension of factories and instruments of production owned by the state; the bringing into cultivation of waste

14. John E. Roemer, *Free to Lose: An Introduction to Marxist Economic Philosophy* (Cambridge, MA: Harvard University Press, 1988), 2–3, cited in Mark Skousen, *The Big Three in Economics: Adam Smith, Karl Marx, and John Maynard Keynes* (Armonk, NY: M. E. Sharpe, 2007), 64–65.

lands, and the improvement of the soil generally in accordance with a common plan.

8. The equal obligation of all to work and the establishment of industrial armies, especially for agriculture.
9. The combination of agriculture and manufacturing industries and the gradual abolition of the distinction between town and country, by means of a more equitable distribution of the population.
10. The free education of all children in public schools; the abolition of existing forms of child factory labor; and the linking of education with industrial production.[15]

Each of these individual concepts—not to mention the sum of them in a greater degree—is far from value-free. In fact, if a society implemented all of these measures, it would look dramatically different from one that protected private property, encouraged free enterprise, lowered taxes, and did not advocate centralization of agriculture, education, transportation, and the like. With his presupposition that private property was actually a *cause* of class warfare and slavery, Marx advocated centralized solutions. Attracting more disciples than many realize, such notions have seeped into many societies. The values that underlie these notions have consequences—primarily, we think, adverse.

Values also have consequences in another modern business sector. The burgeoning school of ecological economics, with its ultimate principle to mitigate any perceived sins against the environment, also brings assumptions, values, and consequences to the economic table. Ecological economics, according to one writer, "is built upon three fundamental tenets: (1) nothing is more valuable than the natural environment, both at the local and global level, *as it exists today*; (2) the dual pressure of population growth and increasing consumption demands are squeezing the

15. Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Paul M. Sweezy (New York: Monthly Review Press, 1964), 40.

planet toward resource exhaustion; and (3) the earth is fragile in unknowable ways."[16]

Those premises, if implemented in the business world, would incite massive measures that consistently levy additional surcharges on production. The elevation of the interests of the environment—personified almost to the level of a living being—over the social benefit of producing affordable goods and services often hurts those with the lowest income. Accordingly, one of the implications of such unadorned environmental ethics is that greening can become more important than the poor, if push comes to shove. Ideas have consequences, and the present authors join with John Calvin in seeking to call attention to that from the outset and throughout.

Yet another illustration may be found in the reflexive resorting to government bailouts for many crises. As we are finishing this book, there is much pressure in the United States to have the government bail out several large mortgage lenders. On the surface, the argument is made that failure to do so will spawn even more severe economic problems. Thus, the assumptions supporting such a rescue policy are that: (1) the central government's charter includes a responsibility to bail out private entities, whose collapse might lead to further economic deterioration; (2) all slumps are catastrophic; (3) users who have borrowed too much, or lenders who have overextended themselves, must not bear all the consequences for their behavior; and (4) further taxation to fund such bailouts may be assumed by the government without prior approval. Certainly folks with interest in this issue may claim an unparalleled state of events to justify government intervention, but reasoned analysts might also measure the magnitude of any perceived crisis differently if a longer stretch of history is used

16. Victor V. Claar and Robin J. Klay, *Economics in Christian Perspective: Theory, Policy, and Life Choices* (Downers Grove, IL: InterVarsity Press, 2007), 100. While some ecological economists would dispute these presuppositions, systems that do adopt these presuppositions are founded on unattainable platforms.

as a basis for comparison. This kind of interventionism shares "the mistaken belief that governmental intervention in economic matters can successfully achieve desired results while still falling short of the total controls that characterize a socialist system."[17] Economic programs, thus, are not as value-free as some imagine, and many modern proposals are more reminiscent of Marx's manifesto than of free-market principles that allow economies to self-correct by eliminating those who unjustly overextend themselves, which in turn creates an opportunity for new businesses to operate efficiently.

One's view of man and society also crops up in certain economic applications. Following the pioneering theory of Nobel economist Mohammed Yunus, many wonderful advances have been funded over the past twenty years by privately held microfinance groups. Among these successful programs, one clearly indicates not only that private capital is needed and appreciated in developing countries, but also that loans function best if they are tied to several types of accountability. Customarily microcredit organizations loan small amounts of capital as seed money for a productive business to those who do not have adequate resources. Such loans are then to be repaid after profitability and recycled again in the local economy. Those loans are then issued again to others, and the original recipients have learned much about responsibility and entrepreneurship. To fail to require repayment would be to instill economic expectations that are wrong.

Moreover, after several decades of this lending, another key component of responsibility has been developed as some lenders now treat a group of borrowers as a family or a community. Lenders have found that if eight or ten small-loan recipients in developing contexts are bonded together as a unit, a discernible social pressure develops to decrease default rates. In other words,

17. James P. Gills and Ronald H. Nash, *A Biblical Economics Manifesto: Economics and the Christian Worldview* (Lake Mary, FL: Creation House, 2002), 31.

if one may default on a loan from a distant nameless corporation or with relative impunity, that is one thing. However, if eight or ten recipients are treated as an incorporated unit and the prospect becomes defaulting against one's near neighbor also, more incentive is placed on the recipients. Here the existence of a group or family makes the enterprise stronger. Such philosophical concepts or values make a difference.[18]

Capitalism, thus, presupposes certain conditions that will make it work. Its invisible glue is of a different sort than the imperceptible glue of statism, environmentalism, and other macroeconomic systems. Capitalism will often provide more explanatory power and more ability for productivity. If those are underlying values, then one should not be surprised if capitalism is viewed as more of a success than a failure. While Calvin himself did not write a formal economic treatise, we suggest that the worldview encased in his writings and interpretations has more lasting value than many short-lived economic fads. A five-century test of his ideas against other business or economic systems is worthwhile.

We are cautious to avoid making a stealthy endorsement of all types and expressions of capitalism, for we are aware of its various shortcomings. Accordingly, we remain cautious about abuses of materialism within many capitalistic contexts. Calvin himself knew and condemned such temptations or excesses in his own sixteenth-century environment; so there is nothing new under the sun in issuing a similar caveat. The temptations of individuals to abuse the fringes of any paradigm or specifically for individuals to engage in wanton hedonism within the capitalistic construct is present (and was present for Calvin) on the micro level. Still, socialism does not make a man more righteous or capable of resisting temptation. Nor does communism,

18. I am grateful to Mr. Guillaume Taylor of UBS in Geneva, who also serves on the board of ECLOF, for his information on this advance in accountability that certainly fits with the views of human nature of the earlier Genevan we wish to commemorate by this book.

libertarianism, or environmentalism make a man less of a sinner. Human sinfulness is a macro issue that persists throughout all systems and all of history. If the sinfulness of man is an inescapable axiom, then all economic or business systems can be aptly referred to as iron cages. It is only a question of knowing which cages confine us and which idols are being worshipped. Capitalism abused is rooted in the idols of materialism or greed. Socialism abused is devoted to the idol of self-righteousness or communolatry. Honest assessments of presuppositions must also equitably address idolatry where it occurs.

The Bible, of course, does not teach a complete, formal economic system. However, the Bible addresses and alludes to certain economic realities and policies. It also provides a moral framework within which business may be profitable, humane, and charitable. That is why this work will appeal to many biblical passages—as did Calvin. As we highlight economic themes in the pages below, one challenge will be to see which business system fits best with biblical teaching, a challenge that Calvin accepted and one that led to much commentary from his pen and counsel for his associates. Whether one agrees with the tenets of Calvinism or not, it is undeniable that modern business culture was transformed while Calvin, working at a crucial turning point in history, was fueling intellectual debate with new ideas. A proper understanding of his contributions is needed.

I

Creation

To commence, any proper understanding of Calvin on the subjects of money, wealth, and business must accept that these are all created entities. The Swiss Reformer knew that God was more important than material wealth, and Calvin's advice can serve to steer investors, entrepreneurs, and stewards in any century away from a chilling materialism. Money is—and ever will be—a creation; as such it should not be worshiped, overemphasized, or ignored. Like the creation itself, it has a place and is useful. However, outside of that designed space, Calvin warned that it can become an idol.

Calvin was clear that Mammon was not to be served. In his commentary on Matthew 6:24, he explained the dilemma well: "Where riches hold the dominion of the heart, God has lost his authority. True, it is not impossible that those who are rich shall serve God; but whoever gives himself up as a slave to riches must abandon the service of God; for covetousness makes us slaves of the devil."[1]

In earlier comments on the same chapter from Matthew he perceptively described how the devil plagued many with the worship of wealth:

> Men are grown mad with an insatiable desire of gain. Christ charges them with folly, in collecting wealth with great care, and then giving up their happiness to moths and to rust. . . . What is more unreasonable than to place their property, where it may perish of itself or be carried off by men? Covetous men, indeed, take no thought of this. They lock up their riches in well-secured chests, but cannot prevent them from being exposed to thieves or to moths. They are blind and destitute of sound judgment, who give themselves so much toil and uneasiness in amassing wealth . . . particularly, when God allows us a place in heaven for laying up a treasure and kindly invites us to enjoy riches which never perish.[2]

Instead of entangling oneself in this world's snares, Calvin commended the alternative of making it one's "business to meditate on the heavenly life," a theme that would be repeated throughout his work. He warned that if money becomes the chief good, "covetousness will immediately predominate."[3] Calvin knew—in ways that might be shocking to those who only refract Calvin's thought through the lens of Max Weber[4] or other hostile critics—that "if we were honestly and firmly convinced that our happiness is in heaven, it would be easy for us to trample upon the world, to

1. John Calvin, *Commentary on a Harmony of the Evangelists, Matthew, Mark, and Luke* (Grand Rapids: Baker Book House, 1979), 1:337.

2. Ibid., 1:332.

3. Ibid., 1:334.

4. Weber's disciples have argued that the Calvinist sought to prove his election by his capital accumulation. The elect, thus, were those who succeeded at business and were externally identified as prosperous.

despise earthly blessings, and to rise towards heaven."[5] He was emphatic that, while wealth has a place as a created blessing, it should never be confused with the Creator.

Moreover, his explanation of the law often echoed this teaching. Commenting on the first commandment, Calvin called for exclusivity of allegiance to God. If one is subtly tempted to put the acquisition of wealth above God, he is reminded that God is a jealous God who will not tolerate co-allegiance to God and Mammon. Later, in reference to the eighth commandment, Calvin warned against lusts that could lead to a variety of frauds. Since Calvin so strongly supported the holding of private property (which is implicit in that commandment), he also opposed any wrongful taking or seizing of others' property, insofar as such misappropriations are normally motivated by greed, which is itself a form of idolatry (Col. 3:5).

In similar comments on the tenth commandment, Calvin advised against setting our hearts on others' property or seeking "gain at another's loss and inconvenience."[6] Not only was greed condemned in this commandment, but Calvin perceived that through it God sought to "put a restraint on evil desires before they prevail."[7] He compared coveting and other temptations to "so many fans" that swirled human passions even higher. Perched at an early stage of modern economic development, Calvin certainly knew that wealth has its snares if one's inward dispositions are not rightly ordered.

Calvin's comments on the rich young ruler in Luke 18 reflect the same principle. It is not enough merely to divest oneself of riches ("he who deprives others, along with himself, of the use of money, deserves no praise"); one should also use wealth for the glory of God and love of neighbor. Calvin observed on this

5. Calvin, *Commentary on a Harmony of the Evangelists*, 1:334.

6. John Calvin, *Commentaries on the Four Last Books of Moses* (Grand Rapids: Baker Book House, 1979), 3:187.

7. Ibid., 3:188.

passage that to "renounce riches is not in itself virtuous, but rather an empty ambition." Referring to Crates the Theban from secular history, Calvin further noted that the rich young ruler was called to aid others with his income as an act of love: "And so Christ is recommending him not to simply sell but to be liberal in helping the poor."[8]

Calvin believed that Christ was teaching his listeners not to worship money or riches. He stated that this teaching warns both rich and poor to trust in God—the rich being warned of their danger, the poor being called to be satisfied with their lot—so that each can serve God. While Calvin realized that riches themselves do not preclude obedience to God, he perceived that, in view of mankind's incurable depravity, it is rare for those with abundance to avoid becoming intoxicated by riches.[9]

Calvin realized from his careful reading of Scripture that God does not want humans to worship wealth or any aspect of it. He has given humans the capacity to use wealth, but if the ever-present idol-factory of the human mind confuses Creator with creation, it inevitably leads to disaster. As he reflected upon the opening chapters of the Bible, Calvin noted a categorical distinction between the Creator, who is ever blest, and all other created things. In terms of economic matters or management, the Lord assigned persons a stewardship to care, first, for the garden, and then, by extension, for all of creation. It is noteworthy that this assignment came to man[10] in his native, pre-fall state, and thus has no part of the curse in it. It was, in other words, a positive good for man to care for many aspects of creation—animals, the garden, others, and wealth.

But the design of God is not to have money worshiped or served. No one, as Jesus would later say, can serve two masters.

8. André Biéler, *Calvin's Economic and Social Thought* (1959; repr., Geneva: World Alliance of Reformed Churches, 2005), 283.

9. Calvin, *Commentary on a Harmony of the Evangelists*, 2:401.

10. Using this older fashioned naming for "person," of course, is not intended to be gender specific.

One either serves money as a creator or uses money to serve the Creator; these two purposes are mutually exclusive. Calvin understood the difference, and his disciples put that economic faith into practice in many sectors.

While it is too much to claim that Calvin produced the principles of wealth development *de novo*, it is historically true that such development seemed uncannily to happen wherever Calvinists went for several centuries after the Reformer's death. Secularists might try to explain that phenomenon away, but we prefer to understand why and how Calvinism fostered the kind of business culture that it did.

Calvin and his business disciples knew that the Old Testament (hereafter, OT) was replete with wisdom on the subject of wealth. The book of Proverbs, for example, has much to say on this subject. To begin with, it teaches that the Lord may give wealth but that to acquire wealth by illegal means is sinful. Moreover, some riches will sour. "Ill-gotten treasures," wrote Solomon, are "of no value" (Prov. 10:2); however, "diligent hands bring wealth" (Prov. 10:4). The earnings of the righteous aid their life (Prov. 10:16), and "the blessing of the Lord brings wealth, and he adds no trouble to it" (Prov. 10:22). One may even be ruthless and gain wealth; however, ruthlessness is contrasted with virtues like kindheartedness (Prov. 11:16). Hoarding is also condemned (Prov. 11:26), and giving to others can lead to greater gain, refreshment, and blessings (Prov. 11:24–26).

Puritan descendants of Calvin noted the advice on work and business planning contained in Proverbs 12:11, which advocates the working of one's land instead of chasing fantasies or speculation. Proverbs 13 also warns against pretentiousness (v. 7) and issues a caveat about being owned by one's own riches or possessions (v. 8). Moreover, some income can come with a hangman's noose around it (Prov. 15:6). Calvinistic business practices would assimilate these teachings into a distinct corporate culture.

Readers of this OT wisdom also learn that dishonest gain has a way of dwindling away, while a gradual accumulation of wealth normally makes those assets grow more (Prov. 13:11). Prosperity can be a reward to those who serve God well (Prov. 13:21), and even a poor man, if he works the ground that is given him, may "produce abundant food" (Prov. 13:23). It is a sign of a man's goodness to "leave an inheritance for his grandchildren" (Prov. 13:22), but according to the contrast in the second half of that verse "a sinner's wealth is stored up for the righteous." The distribution of providence is one thing and it continues. Houses and wealth are inherited from the Lord (Prov. 19:14). Calvin and his disciples took these biblical truisms and applied them to the evolving business and economic practices of their day.

Again, one can identify the profit assumption of the Calvinistic business ethic in Proverbs 14:23–24, which promises that all useful work brings some kind of profit. In contrast, mere discussion or even elaborate planning devoid of action and work "leads to poverty" (Prov. 14:23). Wealth may even provide a protective buffer or a cause for societal admiration, while the folly of laziness and nonproductive behavior "yields folly" (Prov. 14:23).

Calvin also understood that oppressing the poor to increase one's own wealth is morally wrong (Prov. 22:16) and that one should not exhaust oneself in the pursuit of riches (Prov. 23:4–5). In fact, the allure of riches should be avoided. In other words, one should take care of wealth but not fall in love with it. For, as we read in Proverbs 27:24, "riches do not endure forever, and a crown is not secure for all generations." Also, one should avoid wearing oneself out to obtain status or fame that the Lord has not designed to give. Embracing these principles has led many nations and families to lasting wealth. God's Word, Calvin knew, has much to say to us on this topic. In summary, the application of OT wisdom supplies the following business premises:

1. Ill-gotten treasures are of no value.
2. Wealth per se is not condemned.

3. Wealth has a limited long-range advantage, but it should not be idolized.
4. Wealth does not endure.
5. Godly obedience or righteousness is more valuable than the acquisition of riches.

When one compares Jesus' teaching in Matthew 6 (which warns us not to store up corruptible treasures) both with the OT wisdom on wealth and with even a few of Calvin's comments, a harmonious chorus of voices can be heard.

Furthermore, all these voices affirm that wealth is given by God and can be used very productively to enhance his created order. Again, the distinction between the right and the wrong use of wealth is what makes the difference for Calvin, who surely could recount better than most of the numerous wealthy people recorded in the Bible who never received a rebuke from God for owning and accumulating assets. Among them are:

- Abraham, whose possessions are noted in Genesis 12:5 and who, according to Genesis 14:14, had over three hundred trained men born in his household. He must have had quite a business to have 318 trained soldiers (and most likely their families as well). This was a wealthy man.
- Joseph, who later rose to a position of great importance and wealth in ancient Egypt. He served God through economic acquisition and management.
- Solomon, who, of course, was the wealthiest person in the world of his time.
- Nicodemus and Joseph of Arimathea, both of whom became followers of Christ.
- Mary and Martha, who, according to the book of Acts, used their large home for church meetings.
- Barnabas, an unsung hero of the New Testament, who donated family lands to the cause of the gospel.

Like the OT, the New Testament (hereafter, NT) warns against love for money as a many-pronged root of evil (1 Tim. 6:10). Even so, as one surveys either the Scriptures or the works of Calvin, one can clearly see that wealth is presented as a providential creation from God. It may also become (either immediately or gradually) a means by which God tests the allegiance of a person's heart. Materialism, in contrast to Calvinism, fails to recognize the proper relationship between wealth, a creation, and God, the Creator.

God may bless a person with wealth or he may choose not to do so. If an individual is so blessed, then along with the blessing comes the call to share generously and to work for the glory of God rather than selfish ambition. Therefore, wealth summons a spirit of servitude to the Lord and stewardship of his gifts in order to glorify God. Furthermore, misuses of wealth can reflect insufficient theological or moral values. If one exclusively strives to save and never to enjoy, then he is not embracing the call to glorify God through spending. Similarly, individuals who are consumed by debt and continually live beyond their means demonstrate a lack of stewardship and responsibility. Both of these patterns represent an imbalance in one's attitude toward affluence. Calvin's view of wealth, giving, and affluence determines how persons live in economic settings. This is a matter not of abstract theology but of pastoral theology with macroeconomic content.

While wealth is to be shown proper respect and treated according to God's calling, it is never to be worshiped or treated as divine. Instead it is designed to be used as a tool for the glory of God and the betterment of man. Thus, money, wealth, or finance is always a tool—always a creation, never the Creator—and it is useful for the ends that God designed. The wise steward will seek to keep wealth in its place—never becoming mesmerized by its allure but always using it to serve God, his creation, our families, and society. Wealth is not eternal; neither is it an automatic identifier of the blessing of God. The Lord gives and he takes away. Wealth can be destroyed just as easily as it is created.