

The (Pre)History of Neo-Calvinist Economics

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Good morning ladies and gentlemen. First of all, let me congratulate the organizers of this conference. It's an honor to speak at Acton's First Annual Academic Colloquium, with a very interesting theme: 'Neo-Calvinism and Economics.' In my talk I would like to give an overview of the history, and mostly *prehistory*, of Neo-Calvinist economics. Let me start with some definitions. What is Neo-Calvinist economics?

As I see it, Neo-Calvinist economics is a heterodox movement—or school, if you like—in economics based on Neo-Calvinist principles. As Bob Goudzwaard and Roel Jongeneel show in their chapter of *The Oxford Handbook of Christianity and Economics*, it is a particular interpretation of Reformed economics, which in turn is a branch of Christian economics more generally. Neo-Calvinist economics was born at Abraham Kuyper's Free University of Amsterdam at the beginning of the twentieth century, and subsequently evolved into an international, distinctively Christian economics. It was elaborated, in the 1970s to 1990s by economists like Bob Goudzwaard in the Netherlands and Douglas Vickers, Alan Storkey, John Tiemstra, and many others in the US, Britain, and Australia. They were all influenced, one way or another, by the founder of Dutch neo-Calvinism, Abraham Kuyper, and/or the great Dutch neo-Calvinist philosopher Herman Dooyeweerd.

As I argue in my paper, Dutch Neo-Calvinist economics' year of birth can be determined very precisely. It all begun in 1904-1905 when three Free University jurists or legal scholars started

to publish on economics or, as it was by then known, the science of political economy. I will come back to this birth near the end of my talk. First, I would like to take you back to the prehistory of Dutch Neo-Calvinist economics. For, needless to say, this branch and actually first manifestation of Reformed economics did not come out of nowhere.

Our story begins with the nineteenth-century Dutch Réveil, a French term that literally means “revival” or “awakening.” The Réveil, which originated in Switzerland and France, was a religious revival movement within the major Dutch Reformed Church between the 1820s and 60s. There is a direct line from the father of the Dutch Réveil, Willem Bilderdijk to Abraham Kuyper via Kuyper’s mentor Groen van Prinsterer. One of the characteristics of the Réveil, which brings us to economics, is its emphasis on the practice of Christian life. Members of the Dutch Réveil wanted to put flesh on the bones of their faith. Among many other things, this translated into a concern about the widespread poverty and unemployment of their days.

Unlike the socialists and communists, whom they held for revolutionaries, they stressed the importance of private, non-institutional charity. The Reveil’s interest in pauperism indeed was both of a practical and a theoretical nature. Their theoretical contributions can be found in two Dutch periodicals, titled *Dutch Voices* and *Christian Voices*. They contain articles on labor, class struggle, and wealth, which criticize the liberal and materialistic school in economics, the classical school of economics that is. Whereas the classical school defined wealth in purely materialistic terms, the Réveil writers in question saw a close relationship between godliness and wealth, between piety and prosperity. The classical economist failed to recognize that *oeconomia politica*, as they called the science, had to depend on higher, religious principles.

This brings me to our next figure, the Dutch anti-revolutionary politician Guillaume Groen van Prinsterer. Like his friends of the Dutch Réveil, Groen wanted to infuse the science of political economy with Christian principles. “The *oeconomia politica*,” he wrote, “is an invaluable science, practiced far too faintly in our fatherland. But, with the full excellence of its research and effort, it becomes powerless ... when it seeks its strength in material considerations only.” Groen too stressed the link between welfare, morality, and piety, and voiced this idea in parliamentary debates on political-economic questions.

As compared to some of his colleagues in parliament, Groen had to admit, his knowledge of the science of political economy was rather limited. His views he borrowed from the German writer Friedrich Julius Stahl [1802-1861] and the Scottish theologian-economist Thomas Chalmers [1780-1847]. Focusing on Stahl here, what Groen learned from Stahl is that socialism and communism have two faces. On the one hand, they are right in criticizing the extreme economic inequality and poor labor conditions of the industrial age. But on the other hand, they seek a remedy in the abolition of private property, which is a God-given right. Socialism and communism would be right, and only be right, Groen argues, if there were no living God. What Groen added to Stahl’s analysis—and this can be regarded as his main contribution to the later Neo-Calvinist economics—is that socialism, communism, and also nineteenth-century liberalism are three offshoots of the French Revolution. They stem from unbelief and cannot but lead to the destruction of the divine order of society.

Just like his pupil Abraham Kuyper, whom I am about to discuss, Groen linked the economic distress of his days to the liberal branch of the French Revolution. The “social question,” as he and Kuyper called it, of poverty and unemployment was not an isolated phenomenon but the

effect of liberal ideas in political and economic theory. Those who wanted to learn more about the social question, Groen advised his readers, should read the works of the German Bishop Von Ketteler. This was exactly what Kuyper did when, in 1869, he borrowed one of Von Ketteler's books from no one less than Groen van Prinsterer's wife.

Alarmed by the working and living conditions of Dutch laborers, Kuyper starts to read and write about the social question. He comes to realize that the problem of poverty and unemployment is essentially a moral and religious problem, which requires a return to God's Word. The problem continues to occupy him until his death, resulting in numerous writings and speeches, both in his role as theologian and anti-revolutionary politician. His best-known contribution undoubtedly is *The Social Question and the Christian Religion*, held at the First Christian-Social Congress in 1891. But since I have analyzed these writings elsewhere, and more speakers today will deal with Kuyper, I mention only a few points that are relevant to my subject.

The first one being that Kuyper, who called himself "merely an amateur economist," made an in-depth study of the science of political economy. In parliament he once sided with the German Historical School in economics. This school, he believed, introduced an "ethical element," as he termed it, in an otherwise "egoist" economic science. The Germans "put forward the national element against the cosmopolitan, the social and organic against the individualistic, and no less the ethical against the Mammonist." The second important point is that Kuyper encouraged the development of a Neo-Calvinist economics, incidentally without using the term. The Neo-Calvinist world view that Kuyper envisioned required a full-fledged Calvinist alternative to classical economics. On several occasions, he indeed argued that the

Dutch Neo-Calvinists needed specialists in political economy, trained preferably at his Free University of Amsterdam.

As I said at beginning of this talk, in 1904-1905 Kuyper's ideal of a Neo-Calvinist economics finally took shape. It was then that three Free University jurists ventured into economics. One of them would prove most influential, to wit P. A. (Pieter Arie) Diepenhorst. In 1904, Diepenhorst obtained his PhD with a dissertation on Calvin and economics, and in the very same year was appointed the Free University's first professor of "economics, statistics, and related subjects." He lectured on economics for 45 years, publishing numerous textbooks and articles. Even though he was expected to develop a system of Calvinist economics, he never succeeded to do so. Diepenhorst realized that a truly Christian and hence Calvinist economics could not be constructed from Bible verses, but instead required the application of fundamental Calvinist principles to economics. These principles he kept in mind his entire academic life, however without arriving at some sort of system. Diepenhorst nonetheless was an important figure in the history of Neo-Calvinist economics, if only because he influenced a second generation of Christian economists including T. P. van der Kooy and Bob Goudzwaard.

I will end with some conclusions. The first finding of my paper evidently is that Reformed Christian economics—which is broader than Neo-Calvinist economics—goes back further than Kuyper. In the Netherlands, at least, it is rooted in the Réveil movement of Bilderdijk, Groen van Prinsterer, and others. Kuyper nevertheless can be regarded as the father of Neo-Calvinist economics. For whereas the members of the Réveil wished to reform economics from within, and so to speak add the Gospel to the science of political economy, Kuyper and his followers wanted to develop a truly Christian, Calvinist economics from the ground up. A second

conclusion is that there has never been a Neo-Calvinist school of economics. For almost half a century, Diepenhorst, as someone expressed it, “solely carried forward the torch of Calvinist economics.”

Finally, I would like to mention four features of Neo-Calvinist economics as they emerge from its history. First, Neo-Calvinist economics is concerned about the welfare of what Kuyper called the “little people” (*kleine luyden*). It is concerned about poverty and economic inequality, and their ideological causes. Second, Neo-Calvinist economics wants economics to be a moral science. It has, as again Kuyper expressed it, an ethical element that can only be neglected to its detriment. Third, Neo-Calvinist economics refuses to rule out God, and dares to link economic disorder and crisis to sin. Finally, it seeks to apply such Neo-Calvinist principles as God’s creation, providence, common grace, sovereignty, and so on to economic analysis.

I hope that this historical overview proves helpful today, and I wish all of you a blessed colloquium. Thank you very much.