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The Concept of 'Economy' in Christianity

1 Introduction: Theological Critique of Economy/ Economics in Christian theology

Economy, economic perspectives, analyses, discussions, and interventions etc. play a crucial role in the contemporary social world. Many Christian theologians find this a regrettable fact. For them, especially during the last decades, *the Economy* and its perceived imperatives have become synonymous with social dismantling, practices of human instrumentalization, exploitation of workers and welfare cuts in the social and cultural sector etc. Apparently, in the name of economic arguments, an increase in poverty and neglect of the needy was tolerated or even actively encouraged. For example, the Thatcher/ Reagan liberalization reforms in the US/ UK, but also the so-called 'Washington consensus' – impacting developmental aid, international monetary relations etc. – were perceived as driven by 'the economy' and in general contrast to Christian values.

In a historical perspective, Christian tradition is of crucial importance for both: the development of the contemporary concept of Economy, Economic development, and Economics as its academic subject – as well as for its critique by theologians, philosophers, social scientists etc. Thereby, the dualism between Economy and its critique broadly corresponds with intercultural and international differences as well. More precisely, the Anglo-Saxon tradition with its liberal, utilitarian, and individualistic tendencies represented the most important driver of Economic theory and policies, while central and southern European intellectual and political traditions opposed them and called for a different orientation. If we break this down on a confessional level – following the important religious thinker Max Weber in this respect – there were mostly Protestant reformist and Calvinist groups to promote the former while many Catholic and Conservative Lutheran thought leaders formulated a conservative opposition.

Antagonisms of that kind often indicate conceptual flaws and misunderstandings of a concept. Hence, a more detailed and careful reconstruction of the multifaceted history of 'Economy' seems necessary to rationalize the discussion. In the following chapter, we show how different socio-economic production regimes corresponded with different theoretical conceptualizations of 'Econo-

my'. For that purpose, we start with the emergence of the concept in the Greek Philosophy.

2 Historical Development of Christian Economical Thought

2.1 Economy in Greek Philosophy (*oikonomía*)

The historical origins of the concept of economics are much older than Christianity, dating back to the 4th century BC. When the Christian religion emerged three and a half centuries later, Greek language, philosophy and culture still dominated the Roman Empire. They therefore formed the main point of reference for philosophical and theoretical concepts. Consequently, many documents of the religious sacred writings also show a strong influence of Greek philosophy and thinking – something that is also evident regarding the concept of Economy. It was the Greek philosopher Aristotle (384 – 322 BC), or one of his disciples, who authored the most influential early book on ‘the Economies’ (Plural). It defines *oikonomía* from Greek *oikos* – “household” and *némonai* – “manage”. Thus, *oikonomía* signifies the management of a household or of household affairs. More precisely, the basic meaning of the word is focused on “handling”, “management” or more literally “housekeeping” of a thing. The meaning is not only positive-descriptive but entails a normative meaning as well: the goal is a good or prudent (as opposed to a bad) treatment of the matter in question.

To grasp the meaning of that concept correctly, however, a contemporary reader should consider the high importance Aristotle places on the role of practical excellence, the ability to apply relevant theoretical concepts in an adequate and situation-specific way. A professional Economist should therefore become aware of relevant situational circumstances and deal with them in an adequate way. Aristotle opposed the concept of his teacher Plato, here, who had emphasized the role of theoretical knowledge thereby ultimately calling for a strong social role of Philosopher-kings. In contrast, Aristotle prioritized practical wisdom (*phronesis*) over theoretical knowledge (*episteme*) only. While a mere conceptual thinker could still fail dramatically, being able to apply theoretical concepts correctly in a historically given situation does indeed represent an important part of true mastership. Hence, Aristotle criticized a ‘deductive’ approach towards Economy, which unilaterally refers to fixed theoretical ‘laws’ resulting in ‘one-fits-all’ concepts. Economizing must rather start with a careful analysis of the status quo well as a reflection on long-term consequences of own decisions.

In contemporary English, 'customizing' a good or service towards individual preferences expresses well what is at stake. The professional Economist must customize abstract economic concepts to the situation of his family.

Thereby, in contrast to the modern term of 'Economy', '*oikonomía*' never refers to the totality of all structures and processes of production, distribution and consumption of goods and services within a national or regional economy. It rather only designates planned economic activity of a single person or an organized association of persons, usually the individual household. More precisely, it includes the production, handling and distribution of goods and services for life. In a modern sense, *oikonomía* refers more to the research object of business/organizational studies than to the research object of modern economics: the Economy as a whole.

Aristotle's philosophy remained the most important point of reference not only in antiquity, i.e. until the collapse of the Roman Empire in the Migration Period and the early Middle Ages. It also influenced Christian economic thought for centuries. Aristotle was able to play this role due to the reception of his work by medieval authors such as Thomas Aquinas (1225–1247). In his "*Summa Theologiae*", the medieval Doctor of the Church drew heavily on the – then just rediscovered – work of the Greek (Thomas simply called him "the philosopher"). For an essay dealing with the concept of economy in Christianity, it is therefore necessary to carefully evaluate the *oikonomía*.

The concept starts with the (male) owner of a piece of arable land and makes recommendations how to live a fulfilled life, thereby thriving for economic well-being and happiness. The author enfoldes his discourse concerning this topic by applying what we today would call a 'stakeholder approach' – in the sense that he describes the relations with the most important partner-persons needed to reach these goals: the wife, the children, the slaves helping him to cultivate the land, the neighbors etc. All these people should be treated with respect – but also closely guarded. It remains the duty of a true economist-house owner to supervise every aspect of his household, for no one will do this as conscientiously as he himself as owner. The main occupation of our economist is to cultivate his land in the sense of growing produce that can be sold in the market. In doing so, he should remember that expenditure must not exceed his income and that he must participate in the flow of money in the economy. Following this, the (second) book describes various economic activities and investments that are made in today's economy.

A very important aspect here is the difference between Economics and 'chrematistics', which subsequently influenced medieval thought until the Age of Enlightenment. While Economics as housekeeping is focused on balancing income and expenses (thereby assuring the 'adequate' standard of living), chrematistics

is striving to accumulate more and more money – and ultimately the creation of wealth. For Aristotle, a Chrematistic mindset to accumulate money and profit is unnatural and hampers the Human development of the person pursuing it; it is rather connected with the profession of the traders or lenders, i.e. persons, which in the perspective of an antique author are not productive. Buying produced goods in one place and selling it for a higher price elsewhere, or lending money for payment of interest: both represent economic activities, which do not seem to add any real value. Where are the deeper conceptual roots of such an approach? Many antique and medieval authors take the value of a product as independent from a given market situation; therefore, transporting it from one region/ country where it is available in abundance to another region/country, where it is rare and highly sought after does not add any value in their perspective. In a similar vein, lending money at a certain time and taking it back later with interest does not seem to do so either. In fact, it was only the theory of marginal utility of the Modern economist Hermann Heinrich Gossen (1810 – 1858) to overcome this naturalistic fallacy.

In summary, the Aristotelian school's concept of the economy is in many ways bound to time and culture. First, it is addressing only male landowners, who belong to the class of decision-makers of the time. Relevant economic strategies could only be made by them – hence the philosopher explicitly addresses them and treats all other “stakeholders” as mere objects of his calculus. Moreover, *oikonomía* focused on agricultural production as the main driver of economic value creation in Greek society in the 4th century B.C. Other occupational groups – for example, traders, but also service providers of various kinds – were either overlooked or deliberately neglected. Furthermore, the book is characterized by a rather extended-family approach, which conceives the individual family, including its slaves, as the primary economic unit. This clearly reflects the specific climatic conditions and cultural traditions of ancient Greece. In contrast, riverine cultures such as ancient Egypt or China required more collective effort. Hence, they coordinated human labor during the flood phase and eventually developed much more collectivist institutions. In Europe, low population pressure and temperate climate allowed for greater economic autonomy and decentralized economic coordination. In doing so, the book describes the logic of a slave-holding culture, in which the privileges of the landowning class corresponded with the disenfranchised status of the exploited slaves and their families.

2.2 Economy in the Christian Holy Scriptures and Early Theological Documents

In an inter-religious comparison, it is striking, that the biblical scriptures themselves never explicitly mention the concept of Economy, economic wisdom, or related aspects. Hence, a contemporary New Testament manual does not contain the keyword *Economy*. The silence of the biblical scriptures in this regard marks a clear difference to the Holy scriptures of the other monotheist religions Judaism and Islam, which both contain explicit wisdom thought about different aspects of day-to-day life including Economic practices. There are multiple reasons for this striking fact. The most important factor is the eschatological horizon of the Jesus movement itself, which dominates the New Testament writings. As exegetical research has elaborated, the historical Jesus of Nazareth movement expected the end of history for the immediate future. Moreover, Jesus preached the dawning of the kingdom of God (*basileia tou theou*)¹, as already to be experienced in his own healing and liberating presence as well as in his original community. Especially at the beginning of his public preaching activity, he regarded his own signs and wonders as the catalyst bringing about the end of history. In this sense, the number of the twelve apostles represents a symbol of the twelve tribes of Israel as well as the twelve gates of the heavenly Jerusalem, the eschatological “new city”. In Jesus’ narratives about the heavenly Father, God is described as someone who radically overcomes the logic of the adequacy of performance and return that is so fundamental to good practice in economic scriptures. Consequently, Jesus himself refrained from reflections or exhortations on “good” economic practice. If he mentioned economics or economic elements at all in his sermons, it was as part of the “other”, worldly hemisphere that would soon be overcome by the upcoming Basileia. For example, he exhorted his disciples to “render unto Caesar the things that are Caesar’s, and unto God the things that are God’s”² – thus clearly assigning money as the most important economic unit of measurement to the worldly sphere. Similarly, standing before Pontius Pilate, he explains: “My kingdom is not of this world. If my kingdom were of this world, my servants would have been fighting, that I might not be delivered over to the Jews. But as it is, my kingdom is not from the world”³. In this sense, it does not seem coincidental that – also according to the Gospel

1 Mk 1:15

2 Mt 22:15 – 22

3 John 18:36

of John⁴ – Judas as the disciple who eventually betrayed his Lord for the Price of thirty silver pieces⁵, is reported as thieving treasurer of the community.

In contrast, during the Acts of the Apostles and the time of the first churches, collective ownership and unselfish sharing of worldly goods was supposed to represent the adequate Christian approach to Economy. This self-claim is also embodied in the early Christian communities combining religious practice with innovative economic behavior: living together in practiced communion of goods⁶. On the contrary, he or she who renounced to share or left the poor dying in their misery demonstrated a worldly character thereby risking his/her vocation to live in the kingdom of God. Thus, overcoming the worldly logic of ‘Gift and gift in return’ is defining the typical Christian. Because of this Eschatological character, a genuine discussion about Economic wisdom, which is contained in the Jewish bible or even in the Qur’an, is lacking in the early Christian scriptures.

The Apostle Paul emphasizes that there is no difference between slaves and freemen among Christians⁷. This becomes particularly clear in the letter to Phil-emon, whom he calls upon to accept his runaway and now baptized slave Onesimus as a beloved brother.⁸ Here, for the first time in ancient writing, the personal dignity of the slave is expressed. On the other hand, Christianity does not contain a social revolutionary message – as it is shown in Paul’s first letter to Timothy.⁹ For the freedom that Jesus Christ gives is not dependent on external civil status.¹⁰ In his letters, Paul leaves slavery itself – as a socially established form of ownership – untouched; however, he reminds slaves as well as masters of their mutual duties.¹¹ Following the lines of the Eschatological preaching of Jesus, however, Paul does not draw any consequences of the Christian anthropology for the design of a genuine Christian Economy.

For the upcoming decades, this silence about Economic structures was prolonged because of the fact that Early Christian communities were scattered among different cities and ethnic groups of the Ancient Roman Empire. In each place, they thereby represented mostly poor and uneducated members of

4 John 12:6.

5 Mt 26:15

6 Acts 4–5

7 Gal 3:28; Col 3:11; 1 Cor 12:13

8 Phm 15–17

9 1 Tim 6:1–2

10 1 Cor 7:22

11 Col 3:22–4:1; Eph 6:1–9

their local societies:¹² Christians therefore did not qualify for what Antique authors like Aristotle perceived as an appropriate audience for a treatise about Economy. Hence, both philosophical and socio-economic peculiarities conditioned the disturbed relationship of early Christianity towards Economy. Further on in history, the decay of the Roman Empire and the multiple instabilities and discontinuities resulting from it, determined the intellectual development of Christianity in the same direction. It is true that with the Constantinian Turn, the Christian religion lost its social marginality and gradually moved into a position of dominance as the Roman state religion. Consequently, Christian Church Fathers now represented influential public intellectuals; of course, they also developed sermons and instructions concerning Economic aspects. However, the political instability of the Roman empire fostered neo-platonic tendencies, which again emphasized finiteness and transience of the worldly existence.

As a prominent example, the theologian and philosopher Augustine of Hippo became of crucial importance not only for his own contemporaries; rather, he had also a deep impact on the Christian world view during the upcoming centuries. In his ample opus, Augustine elaborated about Human sin, church, and sacraments; but also about just war, coercion and faith, astrology, epistemology and ethics, sexuality, and pedagogy etc. In the context of our topic, his statements about slavery became of particular interest – given the fact that at this time it still represented a crucial pillar of the Economy.

In contrast to the Apostle Paul in his letter to Philemon, Augustine not only admonished Christians to accept their slaves as brothers; rather he explicitly condemned slavery as a social institution. Consequentially, in his position as Bishop of Hippo in Northern Africa, he instructed his communities to free their slaves. Augustine highly appreciated Human intellect and rationality and therefore condemned slavery of Humans as an act of sin. Thereby, he even admonished the Roman Emperor to act against slaveholders which were buying and selling Human children. As a rational being, man should not reign over (other) rational beings but rather over animals. Thus, according to Augustine, slavery will be eradicated with the end of time. Until then, however, similarly to Paul he postulated a spiritual liberation – in the sense that a free slave should not serve his master in fear but in faithful love. Augustine’s most influential book ‘De Civitate Dei’ demonstrates the strong influence, contemporary traditions of Neoplatonism (Plotin) and Stoicism exerted on him. Facing a manifest cultural crisis during his lifetime – with the Roman Empire gradually disappearing in the Migrational Period – he again oriented his hopes and reflections towards

12 1 Cor 1:26

the end of history; therefore, he again did not call for reforms to level up the social standards of his times. It is no coincidence that Augustine, as a convinced supporter of human rationality, was also one of the first in the intellectual history of Christianity to deal with natural law, which is closely related to the concept of human rationality.

2.2.1 Excuse: *Economia* as a Topic in Systematic Theology

During the history of Christian theology, Economy does not only stand for what we mainly understand by this term today. Rather, it also had a genuine theological meaning – also shaped, however, by the Greek origins mentioned above. What exactly is the context of this systematic-theological dimension and what did this term express? 'Economy' was used in contrast to 'theology' (in the original sense of 'word about God', Christian doctrine), here. In that respect, economy describes God's 'management'/'dealing' and 'stewardship' of the world – including salvation history, the birth, life and death of Jesus Christ, the early church, and the salvation ministry of the church. While in Christianity 'theology' is reserved for the (doctrinal) divine truths as such (e.g., the doctrine of the Divine Trinity of Father, Son, and Holy Spirit), in contrast the economy of salvation includes God's self-presentation/self-revelation in human history and the emergence of the Church. Thereby, *theology* as such remains a 'mysterium fidei', a miracle of faith, which to some extent even eludes rational comprehensibility and empirical derivability; while the divine *economy* can very well be traced and understood interpretatively by theologians and believers. Hence, it is only through *economy* that we know of *theology*. Or – as the Catholic Church's legal Code 'Codex Iuris Canonici' expresses: *Through the Economy, the Theology is revealed to us; but conversely, only the Theology illuminates the whole Economy. God's works reveals who He is in himself; the mystery of His being enlightens our understanding of his works – like a person discloses him-/ herself in her actions, and the better we know the person, the better we understand her actions.*¹³

In the context of the Christian bible, this terminology is used in the last scriptures of the canon, particularly by the Letter to the Ephesians¹⁴ and in the First letter to Timothy.¹⁵ Subsequently, it was originally employed in the writings of the Greek church fathers (i.e. much referred-to early theologians from the

¹³ § 236 CIC

¹⁴ Eph 1:10, 3:2, 3:9

¹⁵ 1 Tim 1:4

2nd to the 7th century AD) and in the whole Byzantine tradition. Here, the Orthodox mystical tradition even claimed to possess *direct* access to divine truth (the *theology*) beyond taking the path of interpreting God's historical self-revelation (*economy*).

The mentioned mystical tradition in the church is formed by a long series of representatives. Early Christian mystics were Justin Martyr (1st century), Athanasius of Alexandria (3rd century), Augustine of Hippo (354–430), Pseudo-Dionysius the Areopagite (c. 500). Medieval and early modern mythicists include John Scotus Eriugena (c. 810 – c. 877), Bernard of Clairvaux (1090–1153), Hildegard of Bingen (1098–1179), Hugh of St Victor and Richard of St. Victor (12th century), Francis of Assisi (c.1182–1226), Anthony of Padua (1195–1231), Bonaventure (c. 1217–1274), Mechthild of Magdeburg (c. 1212 – c. 1297), Meister Eckhart (1260–1327), Johannes Tauler (14th century), Catherine of Siena (1347–1380), Teresa of Ávila (1515–1582), John of the Cross (Juan de Yepes) (1542–1591), Jakob Böhme (1575–1624), Angelus Silesius (1624–1677). Modern representatives of Christian mysticism also exist – such as Mary of the Divine Heart Droste zu Vischering (1863–1899), Andrew Murray (1828–1917), Frank Laubach (1884–1970), Padre Pio of Pietrecina (1887–1968), Thomas Merton (1915–1968), Adrienne von Speyr (1902–1967), Roger Schütz (1915–2005), Chiara Lubich (1920–2008) and others must be mentioned, here. For the role of all these people within the Christian tradition, the relationship of *economia* and *theologia* still plays a role: It represents a kind of 'grammar rule' for the acceptance of their message as a legitimate manifestation of Christian faith. On the protestant side, the equivalent for § 236 CIC mentioned above is the strong criticism of certain types of mysticism by M. Luther and Reformist theologians. They forcefully contested any mystical claim of a 'direct' access to God independent from the history of Salvation in Jesus Christ. Hence, the mutual referral of *theologia* and *economia* is commonly reaffirmed among the most important confessional groups of Christian tradition. More recently, the dualism between Economy and Theology became an important structural feature in the Oeuvre of the Catholic Theologian Hans-Urs von Balthasar (1905–1988), who – in the context of his monumental book 'Herrlichkeit' (Glory) authored four books on 'Theo-Dramatik' (representing the Divine Economy) and three books on 'Theo-logik'.

Derived from the concept of Divine Economy described above, subsequently the notion of 'Ecclesiastical Economy' emerged. In a similar vein, this described the 'handling'/ 'management' of diverse pastoral or disciplinary issues by Church representatives. For example, in the New Testament book Acts (of Apostles) 15th chapter, the early Christian leaders decide to repeal certain Jewish cultish commandments to be able to better integrate Gentile converts and non-Jewish newly baptized Christians in a better way. Here, the 'Economy according to

leniency is differentiated from the ‘Economy according to strictness/ preciseness’ (Greek: *akribeia*). The former implied a certain ‘handling’ of the religious practice to facilitate the mission and salvation of certain groups. Later, dispensations inside of the Catholic Church law were legitimized in that perspective of ‘Ecclesiastical Economy’.

2.3 Autonomy of Economic Affairs: Natural Law Tradition and Two Swords / Two Kingdoms Doctrines

As already mentioned, the Aristotelian schools as well as Augustine’s work on Economy had a strong influence on what Medieval authors like Thomas Aquinas defined as ‘natural law’. They took up the argument and continued it independently in the light of the Christian revelation. What resulted here, however, may be qualified as a ‘conservative strain’ of Christian Economics. In which sense?

The Aristotelian/ Augustine/ Thomistic [...] focus on ‘natural law’. The latter – whether intentionally or not – brings about a general affirmation of the existing income inequalities, especially the property rights of the rich landowners. As a result, the unequal distribution of income in feudal agrarian society was moderated only by the moral exhortation to share abundance with the poor (like the late Roman Saint Martin of Tours had done at his time, sharing his soldier’s coat with a beggar), by compassion with the sick and needy, by donations to the church etc. The differentiation between natural and supernatural corresponds with Church father Augustine’s (354–430) differentiation between the city of God and the secular earthly city.

We have already dealt with the Constantinian turn in the 4th century AD, which transformed Christianity into the mainstream religion of the outgoing Roman Empire. During the early Middle Ages, Christian rulers such as Charlemagne (748–814) reinforced that move. In this context, the Christian church became an important governing institution of the medieval feudal system – with the Roman pope as “spiritual leader” competing with the temporal power of emperors and kings. Moreover, in Germany the bishops rose to becoming independent feudal lords of their lands, also subject to appointment by the emperor. Some medieval popes spoke out strongly against slavery. Pope John VIII, for example, declared in the bull *Unum est* (873) that it could not be justified according to the teachings of Christ. In a similar vein, Pius II condemned the slave trade as a great crime, and condemned enslavement in a bull (1462). Contrarily, however, the political entanglement of the Church is mirrored also by diverging statements. Although Christians were no longer allowed to enslave their fellow believers, the papal bulls *Dum diversas* (1452) and *Romanus Pontifex* (1455) allowed

them to enslave Muslim Saracens, pagans and other enemies of Christianity and take their property.

As far as the perception of Economy in Christianity is concerned, theological teachings reflect their ambivalent character. For example, in his bull 'Unam Sanctam' (1302), Pope Boniface VIII distinguishes between the two swords in this world: the spiritual sword of the church and the secular sword of the state. In this document, the Pope argues: Since the flesh is inferior to the soul,¹⁶ the (temporal) sword of the state is of lesser dignity; nevertheless, even if the church is superior to the state, the autonomy of the secular sphere must be acknowledged. 'Unam sanctam', a very influential document of the medieval theological discussion, reflects the political power struggle between popes and emperors during the Middle Ages. At the same time, however, it also brings about important consequences for the development of 'Economy' in Christianity. This is because the distinction and separation of the two swords as such effectively shielded the socio-economic order of the Feudal economic order against emancipative social-ethical critique and innovation from the spiritual sphere. Thus, the "two swords" doctrine – together with the natural law traditions – helped to reaffirm the enormous social inequalities the feudal order brought to medieval society. It effectively separated the realm of Economy from the (potentially) emancipative dynamic of Christian Spirituality.

The Reformation – continuing and complementing the efforts of earlier unsuccessful protest reform initiatives – sharply criticized the worldly power structure of the Catholic Church and invoked the freedom of (individual) Christian persons. In General, however, the Reformatory process was limited to confessional emancipation, new liturgical practices, and church organization. On the contrary, no attention was paid to a comparable critique of economic inequalities or to initiating corresponding reforms. Rather, the emerging Lutheran-Protestant churches were again dominated by the new type of political leaders, the dukes, landlords, sovereigns, etc. Consequently, the Protestant clergy also became an important part of the social hierarchy in their territories. Martin Luther's "two kingdoms/two regimes doctrine" – which was also accepted by some reformist theologians – emphasized that God exercises his power through two kingdoms: the kingdom of law/old Adam and the kingdom of grace. As people of faith, Christians live in both kingdoms/realities. Therefore, driven by faith in God's grace, they may personally choose to donate or share their wealth with the poor. This did not imply, however, that they supported economic or political initiatives/projects to improve the lot of the disenfranchised; nor did they launch

16 Mt 10:28

corresponding 'emancipatory' pro-poor socio-economic initiatives in the medieval/early modern economy. Consequently, conceptual dualism in theology – re-emphasized in the work of Martin Luther – in turn led to a continuation of the mainstream conservative orientation in Lutheran socio-ethical positions, which effectively legitimized the status quo of an extremely unjust feudal society.

These reactionary tendencies also appeared in Luther's position against the farmer's protests in 1524–1526. Inspired by his writings about the Christian freedoms, poor and exploited farmers mostly in south-western parts of the Holy Roman Empire revolted against their landlords as well as the local clerical elite. Thomas Müntzer, a protestant theologian and personal confidant of Luther during his stay at Wittenberg, sympathized with the postulates of the farmers and with the twelve programmatic articles they had formulated. From today's point of view, these Articles represent an impressive document in Christian religious tradition incriminating exploitative economic practices and calling for the economic rights of an incriminated social group. Moreover, the twelve Articles are regarded as the first public record of human rights/ freedoms in Europe; the farmer group assembly they emerged from appears as the first constituent assembly in Germany. Here, the insurgents set themselves uniform goals, ranging from the mere restoration of their customary rights (which had been progressively curtailed by the landlords) to the abolition of serfdom and claiming basic democratic rights in a representative assembly. Moreover, as Luther in his writings had successfully invoked the scriptural principle ('sola scriptura'), they also proclaimed their divine right to argue autonomously in the light of written documents. Like him, they declared themselves ready to drop their demands as soon as they were proven wrong from the Bible. This reference to Luther, a nationally known Reformation theologian and publicist, was intended to help their cause achieve a breakthrough and strengthen their hopes for social liberation. However, the hope of being supported by the leading intellectual were bitterly disappointed. It is true that in the pamphlet "Exhortation to Peace on the Twelve Articles of the Peasantry in Swabia" he had initially expressed some understanding for the postulates of the peasants and had qualified their twelve articles as partially legitimate; moreover, he had critically addressed both sides, princes, and peasants and called the princes to end exploitative practices. In May 1525, however, threatened by the violent activities of the insurgent peasants, Luther rather appealed to the secular authorities to fight them mercilessly. In a famous sentence he demanded that the rebels should be 'crushed, strangled and stabbed like a rabid dog', because otherwise the country would perish.

What was the background of the furor, which spoke out of these words of the great Reformer? On a trip to his native town Eisleben, Luther had just preached on the Christian's willingness to suffer. In response, however, his auditorium

grew angry, rejected the Reformer’s claim, and repeated Thomas Müntzer’s doctrine of the equality of all Human beings before God. Immediately after this disturbing experience, and because the insurgent farmers were killing a princely administrator on Eastern 1525, Luther quickly authored his writing ‚Against the Murderous and Robber Rotten of the Peasants‘. Here, he condemned the uprisings as the work of the devil and called upon all princes of whatever denomination to put down the peasants with all necessary force. Thereby, he denounced Müntzer was the arch-devil of Mühlhausen. When the rebellion found its end with the battle of Frankenhausen in 1526, Müntzer was captured and beheaded, his head impaled on a stake. More than 6000 farmers were slaughtered by the armed forces of the local princes.

This episode of bloody confrontation between Luther and Müntzer again demonstrates the conservative character of the dominant Christian interpretations of Economy. Dualistic concepts strictly separated the spiritual from reforming the ‘worldly’ sphere. Rather, the later – with the Economy being an important part of it – was supposed to be regulated by ‘natural law’. Hence, it remained effectively shielded against any ‘utopian’ or emancipative spiritual impulse. On the other hand, social idealists like Müntzer fell prey to their abstract spiritual criticism and drowned in a maelstrom of confrontation and violence. Thereby, they systematically ignored the role of economic wisdom for attaining social prosperity and the emergence of humanitarian standards. Reducing the challenge of a value-based “Christian economy” to the overthrow of existing power relations, social revolutions prepared the ground for violent atrocities and ultimately contributed to a reaffirmation of the conservative mainstream: a mistake that was to prove even more disastrous as history progressed.

2.4 The Monastic Tradition and the Emergence of Christian Economy Practices

Already in late antiquity (Benedict of Nursia 525) and especially in the Middle Ages, monasteries and monastic theological communities were constituted as a counterweight to the power structure of the Christian Church. Here, communities of men and women lived together to pray, work and study and subsequently formed educational and cultural centers of a growing medieval society. In the context of a family-based social order, the monastic way of life and the cooperatively self-organizing communities themselves represented an important social innovation. Subsequently, they increasingly became intellectual centers and lighthouses of Christian orientation in their regions. Moreover, monasteries and monastic theologians gave rise to a variety of impulses for innovative social

practices. In contrast to the abstract dualism described above – tearing apart spiritual enthusiasm on the one hand and conservative reaffirmation of social power structures on the other – monastic communities like the Benedictine, Franciscan, Dominican societies developed elements of ‘emancipative’ social practices internally and externally. For example, the ‘regula Benedicti’ over centuries brought about alternative forms of Governance, in which Christian values translate into concrete rules of organizing a community: for example, elements of an egalitarian community, in which younger and elder, more and less educated members, members with a richer or a poorer social background lived together and developed a culture of discussion and cooperation. As recent economic research has shown, the ‘Regula Benedicti’ are full of Economic wisdom and knowledge of ‘good governance’, which contributed to the extraordinary organizational longevity of the Benedictine monasteries, which in the mean covered no less than 500 years¹⁷. Hildegard of Bingen in her sisters-community developed a tangible spirituality – with consequences for the health situation of poorer people, for an every-day spirituality etc. with very tangible economic consequences. In addition, monastic and lay communities brought about a variety of social, economic, and technical innovations: for example, the double-entry book-keeping of the Franciscan monk Luca Pacioli (1445–1517), which became a cornerstone of modern business practices. European architecture received significant impulses from the Cistercian Order, which no longer wanted to be financed by dependent farmers but by its own work. The Cistercian work ethics of precision, order and continuity – brought about by other monastic communities as well – represented frontrunners for the modern business culture.

It is also true that monasteries during the centuries often grew rich because of donations of bequests and their own diligent work culture. Hence, monasteries became power structures themselves – with many of them not hesitating even to own slaves and to exploit villeins. At the same time, however, monasteries as educational centers also started important social reform initiatives. In this sense, Harold J. Berman¹⁸ pointed towards monastic judges at church courts, which were influencing the emerging Western legal tradition during the early Middle Ages. Here, monastic administrators and judges represented a kind of ‘left-wing-intellectuals’ of medieval times; on the one hand they were well-educated, on the other hand, they had no personal ‘vested interests’ like educated rich

17 Inauen, Emil / Frey, Bruno S. / Rost, Katja / Osterloh, Margit, “Benedictine Tradition and Good Governance,” in: Luigino Bruni / Barbara Sena (eds.), *The Charismatic Principle in Social Life*, Routledge Frontiers of Political Economy, 2012.

18 Berman, Richard, *Law and Revolution. The Formation of the Western Legal Tradition*, Cambridge: Harvard University Press, 1983.

landholders, who strove to increase the wealth of their heritage. Consequently, within the framework of Medieval judicial practice the monk-judges repeatedly pressed for contractual arrangements and worked against the feudal landowners' demand for feudal manual and tensile services. Over the decades, this tendency substantially contributed to push back feudalist exploitation and to reinforce voluntary contract agreements as basis of exchange in the economy. As a result, the economic freedom and autonomy of poorer persons were strengthened. The judicial practice of the monastic judges represented an early manifestation of what was to find expression centuries later as the principle of personhood in Christian social ethics and social reform initiatives.

2.4.1 The 'Montes Pietatis' as a Step Towards Economy in Christianity

Barnabas of Terni belonged to a noble family of the Umbrian region and was a well-educated man, Doctor of Medicine with good knowledge of contemporary letters and philosophy as well. In his early years, Barnabas entered the Franciscan Order in the Umbria province of the order and became a monk. A gifted preacher full of spirituality, due to his kindness he hardly found time for contemplation but was entrusted with many tasks by his confreres. Barnabas was very concerned about the problem of poor families lacking access to savings or credit opportunities. Due to the church law forbidding usury and any lending of money for payment of interest, poor people in need were obliged to consult the money lender – during that time mostly Jewish people, to which it was forbidden to execute any farming or production work. Other lending groups were the Lombards, a kind of travelling bankers, whose interest rates were often even higher, usually being 43½ per cent, and frequently as high as 80 per cent.

In the medieval Italian cities, Montes (Latin word for 'mountains', from the "heaped together" deposits) had been founded some years before: banks that paid out interest in exchange for a deposit of money. On the one hand, Montes served to finance the municipality; on the other, they provided regular income to persons with small fortunes. The first Montes institution emerged around 1300 in Florence and spread to other Italian cities. Picking up on the idea of the Montes but transforming it to work in favor of poor lending families, a Franciscan group around Barnabas in 1462 founded the first Monte di Pietà at Perugia, giving the go-ahead for quite a few followers in various Italian cities: in Orvieto in 1463, in Viterbo in 1471, in Bologna in 1473, in Savona in 1479, in Milan in 1483, in Mantova, Assisi, Brescia and Ferrara in 1484, in Vicenza in 1486, in Forlì in 1510, in Naples in 1539. All these institutions remained independent of each other under the auspices of the respective municipality, they lent money to their own

needy inhabitants. The financial capital of a Monte di Pietà was raised by the founders – mostly Franciscan monks – through endowments and collections, many of them from Jewish lenders themselves. Moreover, rich people could also deposit their wealth within the Mons Pietatis – thereby temporarily freeing themselves from the Christian duty to donate or from the need to protect their wealth against theft. Within the Mons Pietatis credit was granted to poor people against pledges such as jewelry, clothing or appliances and was subject to interest. For the internal structure of the Mons, a director called depositarius was hired, an appraiser, a notarius or accountant, salesmen and other employees. Salaries were paid either with a fixed sum or with a percentage of the profits of the institution.

Hence, over time, fewer and fewer Montes Pietatis issued their loans interest-free; rather interest rates ranged from 4 to 12 percent. Subsequently, it was precisely this interest payment, which met the resistance of other theologians, who perceived it as usury and violation of the prohibition of interest. Critics did not admit that the use of the interest to maintain the charity justified the usury; rather they stated, that a good end could not justify evil means. Here, it was held that lending money at interest was intrinsically bad, money being unfruitful by its nature. As a reaction, in some places ‘montes gratuiti’ were founded, especially in Lombardy, which abandoned interest payment. However, since these charities could not sustain themselves, they were subsequently returned into institutions with interest. Moreover, theologians such as Bernardino da Felte argued for defense of the regular mons with the need for interest payments to ensure the permanence of the institution. At the end of each month or of each year, the net profits were added to the capital, and if they were considerable, the interest rate was reduced. To increase the funds of the Mons Pietatis, collections were regularly held in some cities on certain days – in Padua on Easter Day – or boxes were placed for donations, as in Gubbio and Orvieto. In Gubbio, a small tax was levied on all property bequeathed by will, and in Spello the notary had to remind the testator to leave something to the monastery (Catholic Encyclopedia). Initially, the sums handed out in the Mons Pietatis were rather small. This served the goal to avoid speculation or extravagance. With more and more organizations spreading across Italy, however, the amount was gradually raised – in some places up to 100 and even to 1000 ducats. In general, the amount of a loan corresponded to approximately two-thirds of the value of the object pledged, which, if not redeemed within the established lending period, was sold at a public auction, and if the price obtained was higher than the loan plus interest, the surplus was paid to the owner (Catholic Encyclopedia).

Summing-up, the “Montes Pietatis” represented an important social innovation of the medieval economy: early forms of charitable and cooperative bank-

ing, which can be perceived even as forerunners of today’s microfinance organizations. Even if some Montes Pietatis suffered bankruptcy – often due to mismanagement or fraud – and unethical motivations like – also played a role for their foundation, they represent an important step for a qualified concept of Economy in Christianity. As an expression of Franciscan spirituality, these organizations granted loans to the poor and disadvantaged against payment of interest. During the 19th century, the Montes developed into savings and associative banks, thereby playing an important role in the economic development of rural areas in many parts of (mostly: Western and Southern) Europe.

Beyond these developments, however, the emergence of the Montes Pietatis represents a crucial paradigm shift in the history of the Christian concept of Economy. As seen above, Christian authors during the antique and medieval times had mostly accepted the economic status quo of their Economies, which were based on the exploitation of slaves and later of feudal dependencies. In a similar vein, even Paul’s letter to Philemon had basically accepted slavery as an institution of the worldly order and had limited itself to a recommendation to the slaveholder for treating the returning slave Onesimus well. Christian authors before the Franciscan monks perceived the general Economic situation as an expression of ‘natural law’ or attributed it to the ‘fallen’ character of the worldly existence. Despite enormous injustices and the outrageous poverty, in which large parts of the populace had to strive for making a living, they thereby limited Christian ‘modifications’ to the personal realm of pious mercy.

With the Franciscan spirituality of the late medieval times, this approach changed for the first time. A Christian perception of Economy did not remain exclusively oriented towards the hereafter, while the existing institutions were accepted as a necessary given. Rather, Christian values claim validity in relation to the socio-economic structures of the world. In the context of the Franciscan movement of the late medieval period (Nominalism etc.), Christian orientation should also impact contemporary society and translate into an institutionally effective, emancipative reform impulses¹⁹ – even if their transformation into an explicit Social Ethical approach would take another 350 years.

19 Schallenberg, Peter, “Die franziskanische Spiritualität und eine christliche Moralökonomik (Einführung zur deutschen Ausgabe),” in: Luigino Bruni / Stefano Zamagni (eds.), *Zivilökonomie, Effizienz, Gerechtigkeit, Gemeinwohl* (Christliche Sozialethik im Diskurs 1), Paderborn 2013, 13–29.

2.5 Overcoming ‘Natural Law’: The Emergence of Economics as an Academic Subject

During the 18th century, the modern concept of Economics gradually evolved as a secular research discipline dealing with the production, distribution, and trade, as well as consumption of goods and services by different agents. This happened in a typical Enlightenment perspective, in which the world was perceived as a regulated universe. God represented the creator of the universe, who determined ‘natural laws’ and subsequently refrained from continuously intervening. Rather, he had left the universe as a clockwork ticking according to its own rules. In this sense, the Scottish moral philosopher Adam Smith (1723–1790) – generally referred to as father of modern Economics – when teaching at the University of Glasgow (1751–1764) held a Chair for ‘Moral philosophy/ Theologia naturalis’. This implied that he was supposed to teach the socio-economic laws of the Divine order, according to which commerce and economic exchange must be organized. Hence, Economics as an academic discipline, on the background of the prevailing cosmology of the early modern times/ Age of Enlightenment, started as a ‘Christian’ discipline. Like the Natural Sciences, whose success in formulating ‘laws of nature’ impressed the intellectuals of these times, Economics should inquire the ‘laws of economy’, of economic activities, national differences, exchange and trade – to be recognized by politicians and authorities as well as practitioners in a general way.

Pretty much in line with these expectations, Adam Smith (who was a practicing member of the Protestant Church of Scotland) elaborated on the anthropological foundations of Moral Decision making (“Theory of Moral Sentiments’, 1759) as well as on the reasons for income differences between different regions and countries (‘An Inquiry into the Nature and Causes of the Wealth of Nations’, 1776). Thus, his main (liberal) thesis about the self-regulation of economic markets (figuratively expressed by the motif of the ‘invisible hand’) represented a pledge for non-intervention of the Government into the market clearing process – in a similar way as God had also renounced to intervene in the regulation of the natural cosmos.

On the other hand, Smith certainly did not argue against any form of moral argument regarding economic processes and their outcome. Rather Smith is generally perceived as a ‘Scottish moral philosopher’ (together with David Hume, Francis Hutcheson and others), a group of theorists, who explicitly claimed to instruct moral reasoning by – among others – emphasizing the systemic interdependencies of modern social practice. For that purpose, they showed that some political interventions may effectively bring about counterintuitive and negative consequences, if they do not reflect on ‘economic laws’.

In the perspective of our topic, the concept of Economy in Christianity, the emergence of economics as an academic subject dealing with Human economic behavior and national Economies in general brought about a double step: First, it outlines the challenge of realizing (Christian) values in the economic reality. Hence, the traditional Western dualism between Eschatology and mundane reality is transferred into a duality of normative (=ethical) and positive (= functional) level of analysis. Realizing a 'good' Economy – in the sense of transforming religiously founded values into Economic practice – does no longer seem impossible, because values and practice would belong to different ontological spheres. Rather, social innovations and reform initiatives seem possible if they follow the 'laws' of the Economy.

By extending scientific analysis from natural science to the social and economic sphere, economic authors during the 19th and 20th century gradually overcame a 'natural law' perspective, which had stabilized economic inequality and a poverty trap for large parts of the population for centuries. Rather it became clear that in the context of an Industrialized society, with adequate social policies, ethical goals could be realized to a much larger extent than expected before. Hence, social reform and social policy became an issue for religious believers, who strove to transform Christian values of Human rights and social justice into practice.

Second, the work of Adam Smith and other Scottish moral philosophers like David Hume or Bernhard Mandeville differentiated between the level of the individual (micro-) Economy (tackled also by the works of Aristotle or Thomas) and the national (macro) Economy taken care of by the Government or by the political authorities in general. While moral sentiments or altruism does indeed play a role for the micro-economy (and for many religion-based value systems), it does not seem relevant as a control variable for the macro-economy. Hence, economic theory makes clear that the national economy cannot just be conceptualized in the same logic as an individual household; rather it must be analyzed and understood in its own logic.

To proceed in that endeavor, many academic Economists of the post-classical period had originally been trained as Natural scientist, mathematicians, Physicists etc. For example, during the first half of the 19th century, the philosopher Auguste Comte (influenced by the work of the physician Isaac Newton) had developed a vision of 'social physics'. Subsequently, during the industrial age of the late 19th century, the equilibrium theories of Alfred Marshall, Vilfredo Pareto and Francis Edgeworth were based on the work of mathematicians like James Clerk Maxwell or Ludwig Boltzmann, who had done work on the statistical behavior of individual agents. According to the prevailing academic attitudes derived from Natural Sciences, a body of economic knowledge was created in a

rather abstract academic process. For that purpose, reference was made to abstract cumulative notions like states of equilibrium (for example between supply and demand in a certain market), their dynamic adaptation processes, stationary states of different markets (for employment, money, credit etc.) etc. As a result of these scientific developments, analytical research about the Economy often lost sight of a normative dimension. Moreover, the role of Human actors and of (social) Innovation as a driving force for social change and for a better life was hidden behind mathematical formulas. In this situation, it was Harvard-Professor Joseph Schumpeter's work to emphasize Entrepreneurship as 'creative destruction' and understand it as an indispensable characteristic of capitalist Economies. This concept, published in Schumpeter's path breaking book 'Capitalism, Socialism and Democracy' (1942) became a cornerstone for the contemporary discussion about Entrepreneurship and Social Innovation. It inspired authors like Acemoglu & Robinson²⁰, Clayton Christensen²¹, Philipp Aghion²² and others. Even religious roots of these perspectives become obvious. Recently, the roots of the concept of creative destruction in early Egyptian mythology (Phoenix), in the Hindu Goddess Shiva as dancing destroyer, in the works of Goethe, Marx, Nietzsche and Sombart was made transparent²³. However, also for an innovation-centered approach towards the Economy, deep roots in the Jewish-Christian traditions are also obvious. Especially, innovation as the center of a modern economy was described as a process of constant disruption and change. This shows manifold references to narratives and motives from the Jewish-Christian traditions, where openness to change and innovation finds its narrative expression right from the beginning. One famous example is the Patriarch Abraham, whom all three monotheistic world religions (Judaism, Christianity and Islam) recognize as their "father in faith". Aged 75, he still leaves the traditional social order of his home city of Haran.²⁴ This was done in faith in God's unspecified promise of a land in which his descendants would be numerous, and he would be a blessing to all peoples. In a similar way, the early Christian tradition

20 Acemoglu, Darin / Robinson, James, *Why Nations Fail. The Origins of Power, Prosperity, and Poverty*, New York: Crown Business, 2012.

21 Christensen, Clayton M., *The Innovator's Dilemma: When new technologies cause great firms to fail*, Boston, Massachusetts, USA: Harvard Business School Press, 1997.

22 Aghion, P. / Antonin, C. / Bunel, S., *The Power of Creative Destruction. Economic Umheaval and the Wealth of Nations*, Cambridge MA: The Belknap Press of Harvard University Press, 2021.

23 Reinert, Hugo / Reinert, Erik S., "Creative Destruction in Economics: Nietzsche, Sombart, Schumpeter," in: J. Backhaus / W. Drechsler (eds.), *Friedrich Nietzsche (1844–1900)*, Boston: Springer, 2006, 55–85.

24 Gen 11ff.

is also characterized by the expectation of an eschatological change and a (radical) innovation, as seen above.

2.6 The Emergence of Christian Social Ethics during the Industrialization

During the 19th and 20th century, Industrialization and modernization brought about a radical transition of the living conditions not only for small elite minorities, but also for uneducated workers. A high number of young and poorly trained rural dwellers – many of them Catholic – flowed into the modern cities and ended up as simple laborers under precarious economic, social, and spiritual situations. They found themselves exposed to what we would call today a completely uncivilized capitalism and market economy. Lacking access to basic labor and social institutions, financial insecurity, and the inability to feel at home at this new urban environment characterizes their situation²⁵.

This challenging transition process fueled skepticism among Christian intellectuals, clerics and theologians about the whole project of industrialization. As a result, Christian philosophers, preachers, and public intellectuals stood in principled opposition to the emerging system of free-market enterprises and industrialized production. In a period of massive urbanization, for many of them Christian values seem indissolubly tied to the highly integrated village or small town ('Social Romanticism'). An opposite reaction to the transition described above was secular – and often economically based – criticism of religion, which propagated new values for a new World. Leading intellectuals like Karl Marx, Friedrich Engels, Ludwig Feuerbach, and others called for a Humanist and scientific critique of the religious tradition as well as for new secular and emancipatory values.

What we perceive, here, is a typically contemporary intellectual constellation of a counter-positioning between Christian Humanism on the one hand and (atheist) Economic Humanism on the other. With the rise of the Industrial age, a rather secular economic analysis emerged, which remains increasingly detached from its Christian anthropological roots. Subsequently, it gave birth to a materialist philosophical position represented by authors like Karl Marx and Friedrich Engels. For these authors, who were inspired by a historical-philosoph-

²⁵ Goldschmidt, N. / Habisch, A., "Western Religion, Social Ethics and Public Economics," in: F. Forte / R. Mudambi / P. Navarra (eds.), *A Handbook of Alternative Theories of Public Economics*, Cheltenham: Elgar, 2014, 198 – 226.

ical position of Hegel and others, Christianity – and more generally religion as whole – represents an instrument to legitimize exploitation of poor peasants and laborers by the landowners and capitalistic owner of the means of production. In such a perspective, which strives to promote a revolutionary turn-over of the existing Capitalist tenure, Christian hope for a heavenly afterlife is just illusionistic and distracting the working class from the necessary fight against exploitation. On the other extreme of the intellectual spectrum, Conservative Christian movements emerged, making front against materialism and consumerism, against sexual libertinage in the cities, against the decay of family values etc. Those groups fought their cultural wars against a modern economy. They condemned the pursuit of wealth redistribution and social reform as signs of decadent materialism and apostasy from the belief in paradise. In their perspective, it was not a ‘change of conditions’ – social reforms (‘Bedingungswandel’) – but a change of attitudes – in the sense of a revival of Christian spirituality (‘Gesinnungswandel’) – that would be required.

In this counter position of two opposing intellectual currents – economic criticism of Christian religion and Christian criticism of a modern economy – Christian Social Ethics emerged. It held fast to the Christian values tradition and accepted its validity, even if the whole structure of society had obviously undergone groundbreaking changes. At the same time, however, they did not limit themselves to religious practice but inspired by Christian values tried to positively influence the living conditions of the emerging industrial worker’s class. Hence, in line with a modern concept of contingency awareness, they did not wait for the realization of Christian values in the heavenly beyond, but strove to develop new schemes for social ethical reflection beyond the traditional morality, etc. They overcame a scheme of moral duties/ transgressions but developed ethical principles like ‘Solidarity’, ‘Subsidiarity’ and ‘Personality’ to grant ethical orientation for action in the context of a diverse plurality of concepts. This new type of ethical principles did not limit the acting faithful person to a mere obedience to prefixed codes of behaviors; rather, they require the capability to exert personal responsibility, autonomously judge situations and adapt the principles accordingly.

A very prominent body of documents promoting Christian Social Teaching represent the Social Encyclicals of the Roman Pontiff, in which the Catholic church formulated normative perspectives for a Christian concept of Economy. For example, the first document of that kind, the Encyclical ‘Rerum Novarum’ of Pope Leo XIII. (Issued in 1891, during the quick growth of industrial production in Europe and North America), opposed the Marxist view that capitalism could be reduced to a mere exploitation of the worker’s class by the capitalists and that workers should strive for social revolution. Rather the document

pledged for the legitimacy of private property and the importance of family values even in the context of the industrial age. Pope Leo emphasized the personal value of workers and decried the social neglect by the dominant liberal policies of these years. 40 years later, the document 'Quadragesimo Anno' was co-authored by the German Jesuit theologian Oswald von Nell-Breuning (1931). It promoted the ideal of 'Subsidiarity', which emphasizes the power of self-organization structures in the context of a professional order. Here, Christian Social Thought opposed the dirigisme of the totalitarian dictatorships of fascist and Communist regimes of the 1930ies – which ultimately brought about the total disaster of World War II and the decade-long agony of the Socialist economies in Eastern Europe. During the 1960/70s John XXIII. and Paul VI. called for a Global responsibility of political leaders and a common orientation towards Global Peace and Justice. Pope John Paul II. pledged for an economic order, which should be oriented towards the Personal dignity of Human workers (*Laborem Exercens, Sollicitudo Rei Socialis*); years later, after the breakdown of the socialist economies, John Paul II. elaborated the social role and responsibility of private Entrepreneurs (*Centesimus Annus*, 1991). Pope Benedict in his Encyclical 'Caritas in Veritate' emphasized the personal responsibility of Human persons as costumers and of the social responsibility of organizations/ companies. More recently, Pope Francis formulated the importance of the Environmental challenge for a reorientation of Global Business²⁶ etc.

Even if the Papal Encyclicals and other Church documents from catholic and protestant traditions remained the most publicly visible documents, the Christian Social Ethics was mostly driven by lay-people such as inspired leaders in (family-) businesses, media, academia. They adjusted their day-to-day decisions towards their Christian values – based on a concept of Human beings as endowed with Human dignity and organizations/ structures to be oriented towards solidarity in subsidiarity.

2.7 Particular Relevance of Christian Social Ethics for Germany

Following the principles mentioned above, socially engaged Christians overcame the limitations of personal piety or misery with the poor; rather they promoted the drafting of social institutions and rules of the Economic and Social System. In Germany, the most important intellectual protagonists of Christian Social Eth-

²⁶ *Laudato Si*, 2015

ics – for example Jesuit fathers like H. Pesch, G. Gundlach, O. Nell-Breuning etc. – had started a second academic study in Economics after their theological exams. They strove to better understand the foundations of economics in order to propose social and economic change by institutional reform. Thereby, they directly or indirectly influenced Catholic politicians in the Christian oriented parties of the Weimar Republic – and subsequently in the Christian Democratic as well as the Social democratic party of the young Federal republic. Due to the genuine historical circumstances of two lost World Wars and the constant threat of totalitarian ideologies, Christian politicians happened to play a particularly important role in Germany. In fact, starting after the first World War, many institutions of the German social and labor system were implemented and remodeled by politicians and administrators inspired by a Christian mindset.

For example, in 1920 the first Federal Minister for Labor and Social affairs of the democratic Weimar Republic Government became a man named Heinrich Brauns. Brauns happened to be a Catholic clergyman and had worked as a workers' priest, an activist in a Catholic Social Ethics NPO and later as a 'Centre party' leader. Subsequently from 1920 – 1928, Brauns modelled the labor system of the young Weimar republic. For example, he drafted the codetermination laws implementing Workers' councils (as institutionalized representatives of labor interests) in German companies; he implemented a (basic) public unemployment insurance system and a three-level system of labor courts, in which labor conflicts could be settled in a professional way; he founded the national network of employment agencies in every city – with the center organization located in Nuremberg.

After 1933, the totalitarian Nazi dictatorship overruled these institutions by drafting authoritarian structures. However, during the 1950ies and 60ies, the Federal Republic of Germany returned to the development path Brauns had opened and even completed it. Politicians of the Christian democratic party dominating the first Governments during these decades, implemented a social security system, which was modelled according the principles of Solidarity and Subsidiarity – with priority given to the smaller decision units (communal bodies) while central authorities should only supervise and support. Accordingly, a network of regional social advocacy and labor organizations was created all over the country to fight poverty, qualify unemployed workers for a new job, grant unemployment insurance or social assistance for poor families etc.

After some years of economic development, access to public Schools and universities was granted free of charge, which enabled social uplifting of children from poor or disadvantaged families. During these formative years after the total disaster of World War II, Christian Social Ethics influenced the crafting of social and economic institutions not only in Germany, but in many other Euro-

pean countries like the Netherlands, Belgium and France as well ('Rhinish capitalism'). As a result, compared with two millennia of European history, we witness a completely new approach towards economy in Christianity. With advanced industrialization, the per capital surplus of economic growth and development exploded – thereby providing the financial basis for redistribution and the provision of public goods like education, infrastructure, professional legal and administrative systems etc. A national network of tax offices fueled the emergence of the Welfare state, as the fluidity and changeability of social institutions became also obvious. As a result, the status quo of social inequality was no longer taken as granted as it has been the case in medieval or modern times; rather social systems emerged, which should help to overcome discrimination, poverty, illiteracy, social isolation etc.

However, beyond mere Government/ policy-centered instruments, also the role of civil society, social innovators and social Entrepreneurs must be emphasized. Christian Union activists – for example of Coal miner's and steelworker's unions – played an important role in that process right from the beginning. A wide range of Christian press organs and associational publications emerged in the context of the Christian social movement – in order to support the emancipative engagement of Christian associations and labor activists/worker's priests on the ground. Moreover, a network of national Christian academies emerged for worker's education – comparable to the popular education movement of the social democrats.

Furthermore, right from the beginning, also Christian businessmen had played an important mediating role for the emergence of Christian Social Ethics. As cultural brokers, they bridged the chasm between the century-old Christian values tradition on the one hand and the pressing social and economic challenges of the emerging Industrial society on the other²⁷. In the example of Germany, it was the Catholic textile Entrepreneur Franz Brandts, who co-founded a national NGO of crucial importance for recruiting and supporting Christian politicians like the above mentioned first minister for labor and social affairs, Heinrich Brauns. In 1914, the 'people's League for Catholic Germany' assembled already

27 Habisch, André / Loza Adai, Cristian R., "The Charisma of a Conservative Innovator: Franz Brandts and the Rise of the "Christlich-soziale Bewegung" in Germany in the Age of Industrialization," in: L. Bruni / B. Sena (eds.): *The Charismatic Principle in Economic and Civil Life: History, Theory and Good Practice*, Florence, n.p. 2011. Habisch, André, "Practical Wisdom for Social Innovation: How Christian Entrepreneurs Triggered the Emergence of the Catholic Social Tradition in Europe," in: J.G. Backhaus / G. Chaloupek / H.A. Frambach (eds.), *On the Economic Significance of the Catholic Social Doctrine. 125 years of Rerum Novarum*, Cham, Switzerland: Springer, 2017, 167–190.

more than 1 Mio. members nation-wide. This organization represented a crucial mediator for sensitizing Christian practitioners – laymen as well as priests – for the challenges, Industrialization had brought about for Catholic worker families. It produced a rich literature – with a special focus on Economic contents – for instructing emerging Christian Labour-Unions and Social solidarity groups and help them assert their emancipative concerns in a more effective way. Because of the activities of Brauns and other Christian politicians, the ‘people’s League’ – albeit mostly forgotten today – played an important role for the Social market economy in post WW II Germany.

Another example is Leon Harmèl, a French textile Entrepreneur and contemporary of Brandts on the other side of the French-German border. Harmèl was very committed for textile workers and organized several pilgrimages to Rome. Playing an important role as a volunteer official in the Vatican as well, he became crucial for ‘Rerum Novarum’, the first Social Encyclical starting the corresponding tradition. Concerning the role of business leaders for realizing Christian values in the economy, UNIAPAC, the global network of Catholic Entrepreneurship Associations worldwide, has recently published a paper ‘The vocation of the Business Leader: A reflection’, which carefully elaborates the different aspects of Christian business leadership in a global perspective.²⁸

Much more would have to be added in that respect, which cannot be done in the context of this survey article. Generally speaking, however, it remains clear: If many European Economies today are still dominated by socio-economic practices orientated towards an equilibrium of Innovation *and* social partnership, this is also due to the long-term consequences of social, economic and political commitment inspired by the Jewish-Christian value tradition.

3 Summing-up: Economy in Christianity

As our historical tour de raison makes clear, Economy (and Economics) was never a familiar housemate in Christianity. The history of the term begins centuries before Jesus Christ; if it played any role in the early Christian documents at all, then as an element of the existing age, which will come to an end with the immediately expected ‘Kingdom of God’. Christians are to live in this world, but not to be ruled by its (economic) laws.

As the attitude towards slavery impressively illustrates, this dualistic logic prevailed – for different reasons – during the first centuries of the history of

²⁸ <https://uniapac.org/wp-content/uploads/2019/11/The-Vocation-of-Business-Leader-ENG.pdf>.

Christianity. After the Apostles' Summit in the year 30 AD, Christianity developed as a polyethnic religion – with very few rich and powerful believers in the rows of their scattered communities. Thus, a genuine Economic wisdom tradition – comparable to what we find in the holy scriptures of Judaism or Islam – does not find itself developed in the Christian New Testament. Consequently, due to the important role of Ancient Greek and Roman cultural traditions in the theological teachings of the Medieval church, the dualism prevailed. At the same time, however, medieval monasteries played an important role for overcoming the chasm between Eschatological expectations and socio-economic quietism in the face of the enormous social differences of the antique and medieval societies. With the emergence of modern economics, the knowledge of the malleability and formability of the National economy and society started to grow substantially. With the dawning of the Industrial Age, first documents of an explicit 'Christian Social Thought' emerged – setting orientation marks for an Economy inspired by the Christian values tradition. Subsequently, on the threshold of industrialization and in view of the social and cultural shocks it caused, an explicit Christian Social Ethics helped to gradually bring about important reforms of industrial working and living conditions. Even today, Economy and economic wisdom is not yet at the heard of Christian communities and their preaching. However, Christian Social Ethics represents an established pillar of theological studies in large parts of the Christian cultural sphere. Moreover, engaged lay people inspired by Christian values are participating in the ongoing discussion about a future economy, in which Human life can survive on the planet Earth – and more people can live in Justice and Peace around the Globe. International activities like the Economy of Francisco (<https://francescoeconomy.org>) – started from engaged leading Western Economists but also reaching out to educate a new generation of academic leaders and Entrepreneurs in Muslim, Buddhist and Hindu countries in Africa and Asia – have to be mentioned here. Initiatives like this represent important testimonies of a global and open ended dialogue between religious and spiritual wisdom traditions on the one hand and economic analysis and knowledge creation on the other.

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