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**Protestantism and Capitalism:
Lessons from the Economic and Intellectual History of
Hungary**

Phd Dissertation
Theses

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I. Background of the Research Topic

Around the end of the 19th century thinkers started to suggest a connection between religious factors, thereby Protestantism, and the capitalist system of economy. This was owing to the different generations of the German Historical School which had a great impact primarily on Central Europe of the time. The economic sociology trend developed by, among others, Max Weber and Werner Sombart, was identified as the third generation of this historical school. Werner Sombart, in his *Modern Capitalism*, published in 1902, expressed his views on a connection between religious factors and the evolution of capitalism. Max Weber's work of 1905, *The Protestant Ethic and the Spirit of Capitalism*, gave a response to these ideas.

On the connection between the Protestant Ethic and the rational, bourgeois spirit, i.e. the Spirit of Capitalism, Weber found that the origin of this spirit is rooted in a certain religion which is characterized by the same ethical elements as those of the Spirit of Capitalism, namely, self-discipline, systematic living, asceticism (in this life) and diligence in worldly occupations. This, however, in Weber's opinion, was not present in all ethical "systems" of the Protestant approach; it was found in Calvinism, in the Neo-Calvinist (Puritan) ethic. In Weber's Neo-Calvinist (Puritan) ethic, the question of verification came to the fore as a result of the attempt to relieve the anxiety caused by predestination. As a result, the Puritans sought and thought they found signs which showed that they were the chosen ones. Their desire to be verified prompted them to systematically monitor their state of grace through their way of living, thus, make their living ascetic. From the aspect of Weber's theorem, the existence of the petite bourgeoisie and middle class which started to develop in this period was highly important. Consequently, to him, this thought meant not only the acceptance of success and of the accumulation of wealth but also the encouragement to achieve them. In his theory, the Protestants' minority existence is not an explanatory principle. However, his explanation involves another element, the sect structure. Due to their small number in the small congregations (sects) of the Neo-Calvinist churches, the parishioners knew one another well, monitored one another's state of religious faith, way of living, which contributed to their keeping to the expected way of living.

Before Weber, there were ideas that suggested a connection between Protestantism and a more active role in a modern, capitalist economy. Thus, as early as the 16th and 17th centuries, there were different explanations given to the economic successes of Protestants: the role of religious radicalism and the importance of religious freedom were emphasized (e.g. de Witt, Temple); however, later historians widely explained the situation by the Protestants' minority status and their being expelled from their homelands (e.g. Toynbee). Sombart approached the question of minority existence, but later authors of the 20th century also discussed it repeatedly (e.g. Simmel, Wallerstein). In Gyula Szekfű's works, the connection between minority existence and the development of capitalism was considered also in connection with the development of capitalism in Hungary, however, with reference to a later period. In the interpretation of the traditional socio-economic system's shift towards capitalism in Austria-Hungary, he stressed the role of the Jews.

In the social and historical discourse of the 20th century, Weber's theorem was often considered, and the issue of a connection between capitalism and Protestantism was often responded to by different authors. Wallerstein, to some extent, concurred with Weber's theses: He acknowledged that the Protestant ideology was easier to associate with capitalism. In Hill's opinion there was nothing in Protestantism that would automatically lead to capitalism, but acknowledged that capitalism was easier to verify through the Calvinist than the Catholic

theology. In Marshall's approach, the most significant criticism was expressed in relation to monocausality: in his opinion, Weber ignored other elements that led to the development of capitalism. Some of Weber's critics claimed that capitalism developed earlier.

Although the aforementioned authors referred to the indirect effects of Protestantism, there were others who discussed the direct effects, the effects of the church's doctrines. Such an author was Ashton, the English "student" of the German Historical School, who wrote about the church's opinion on fair price, on usury and the church's regulations on commercial control. Ernst Troeltsch, in his "*Die Soziallehren der christlichen Kirchen und Gruppen*" [The social teaching of the Christian churches], explained the effects of the social teachings of each denominations, thus he discussed the Calvinist and Lutheran denominations as well, which played significant roles in the history of Hungary. In his opinion, it is only the social teaching of Calvinism that accepts the bases of modern economic life; its ethical structure is suitable for adapting the modern bourgeois capitalist culture; it is the denomination that can reconcile the modern forms of production with conscience; and its evangelical content is strong enough to overcome the distortions.

On the topic of the connection between Protestantism and Capitalism, certain approaches accept the effect of Protestantism; however, primarily with reference to politics and to the state. In these viewpoints, as Protestantism had transformed politics and the state, there was room for the advance of capitalism. They emphasized the effect of Protestantism on the development of some important elements of a bourgeois democracy: responsibility, self-discipline and bourgeois morals. This was partly referred to by Weber, however, was elaborated on more by Troeltsch, who believed that the desire for freedom and the origins of political democracy were rooted in the congregation's life and the doctrines. The parishioners' individual relations to God, the voluntary association feature of the congregation's life and the individual interpretation of the printed text of the Bible may all be understood as the Protestant origins of Liberalism.

II. Methodology Applied, Time Periods of the Research, Dissertation Structure

Starting out from Max Weber's theorem, the dissertation seeks an answer to the question whether the connection that was discovered between the "Protestant Ethic" and the "Spirit of Capitalism" by Weber and Ernst Troeltsch was true to Hungary; if yes, to what extent, if not, why not. Therefore, the question arises whether the ethical system of thought of Calvinism did not have such an impact on the economic life in Hungary as it did in case of Switzerland and the Netherlands because Calvinism in Hungary differed from the Calvinist base in its theological and Church history; or because the activity of the Reformed Church in Hungary, which helped to solve social issues as well, due to the specific historical relationships, was present in the battle against Counter-Reformation, in protection of the positions of the estates and of the nation's independence. Thinkers of Hungarian Protestantism have always debated on the question if Reformed Christianity could be understood and assessed primarily as a religion, as a reformed individual or church life, or, on the basis of its scientific, cultural, national and political achievements, as a "sociology saving the nation," a cultural philosophy or a spiritual power shaping life.

Our approach is similar to the approach of several historical schools; thus, the following main tendencies can be considered as significant:

- In the last third of the 19th and in the beginning of the 20th century, the German Historical School played a significant role: in its specific way, it amalgamated the paternalism of Cameralism of the 17th and 18th centuries with the classical economics' faith in economic development.

- The "historische Sozialwissenschaft" [the Historical Social Science] was formed in the 1960s. This approach appeared in theoretical conceptions and in stories following the epitome of intermediate-level concepts.

- Historical Anthropology, which focused on the Early Modern Age and gained growing influence from the 1980s. This approach, in relation to "Alltagsgeschichte" [Microhistory], involved in its analysis the exploration of experiences of contemporary people.

- The economic history shaping after the millennium is a new approach of cultural history, which tries to synthesize the economic historical and cultural historical approaches.

- Embedded in the above tendencies, our approach eventually validates the viewpoint of economic sociology established by Georg Simmel, Werner Sombart and Max Weber, which may be understood as the third generation of historical school of the theory of national economy.

The dissertation discusses the Reformist bases: Luther's and Calvin's major social-ethical views; furthermore, it focuses, in principle, on two periods: the early modern age in Hungary and the period from the end of the 19th century to the beginning of the 1940s. In forming the time periods of the research, the following were the guiding principles: As the views on a connection between the Protestant Ethic and the development of capitalism focus on the period of the Early Modern Age, it was worth studying the connections of contemporary Hungarian – primarily Transylvanian – Protestantism, church history, theological background and economic thinking. The question if there is a connection between the Protestant Ethic and capitalism was brought in the centre of interest at the turn of the 19th and 20th centuries. The relationship towards capitalism, the economic system which belatedly, and not on a Protestant ethical base, developed in Hungary in the last third of the 19th century, became of interest to Hungarian protestant social ethic thinkers as well from the turn of the centuries.

From the aspect of religion and its scientific research, it is important to note that there was a difference between Max Weber and other classical authors (e.g. Comte, Marx, Durkheim), who claimed that religion had to follow the coercions and obligations of a society. They believed that religion in itself cannot be so strong to evolve by the logic of its own subject, one that would have the power to transform society. To Weber, religions were the guiding principles in world history, which follow the logic of their own tasks. In our approach, we accept Max Weber's viewpoint and will study the role of religions, which role results from the religion's own logic, (namely, the role of certain Protestant theological tendencies) in shaping a society; furthermore, we wish to uncover some interesting connections.

Based on the above, the connection between Protestantism and capitalism in light of the Hungarian economic and intellectual history may deservedly be a field of research, which, beyond observing the indirect elements also studied by Weber, can be expanded to other indirect factors rooted in Protestantism and to the direct effects of Protestant doctrines. Consequently, we shall concentrate on the following areas from the aspect of the different periods and authors: the theological bases and the resulting orientation of actions, the issues concerning the organization of the church, the function resulting from the understanding of the church, and, in particular, the questions concerning the relationship between the state and the church, the economic/social historical background and the questions relative to economic policy, and closely linked to all of the above, the views of certain Protestant theologians and "economic thinkers" on the economic concerns.

III. Main Results and Conclusions

1) As regards the legal status and the framework, essentially three solutions can be distinguished on the relationship between the state and the church after the Reformation:

- In uniform states, where the monarch and his government also joined one of the tendencies of Reformation, the new church preserved the outside form of the old church, however, the old apprehension of the church became more or less rejected and the institutions were adapted accordingly. A kind of state church model was realized. Such a transition can be traced in England, Sweden and in Transylvania, temporarily though, during the reign of the House of Szapolyai.

- In Lutheran German Princedoms the power of the keys (the administration of the sacraments) and the preaching of the Word was conferred to the congregation and its minister; however, the remaining elements of the church structure were incorporated in the state government. In the coming centuries, this could reason the role of the Lutheran princes, the bureaucracy and the intellectuals in shaping the society significantly in certain German Princedoms. Such a tendency was Cameralism, which was the social program of a good and wise Prince who cared for his people. This model was realized in a limited way in the relationship between the local government and the Lutheran church in Saxon towns of Upper Hungary, and in the second century of Reformation in the Principality of Transylvania.

- In the third model, the competence of the state and the church stand out in sharp contrast. A new organization, the organization of the presbyteries was given the power to realize the notion of “free church in a free state” and to practice the functions of the church. The Presbyterian Church Constitution proved successful in areas where the state form was a Republic (e.g. Switzerland), where the Calvinist church could build on a strong nobility and bourgeoisie (e.g. the Netherlands), or where state power carried an attitude of hostility towards the Reformed Churches (for instance, in the Monarchy of Hungary in the Early Modern Age, the Habsburgs used various tools to repress Reformation). Of course, we must keep in mind that there were special instances where, due to the intertwining of the state and the church at the town government level, the leaders of the Reformed Church “conquered” the local government body. Such was the case in Calvin’s Geneva or in the Hungarian market towns formerly occupied by the Ottoman Empire.

The main supporters of the Lutheran Reformation were the German Princes who opposed the Emperor, thus rendering it an ‘Emperor vs. the Princes’ feature. Due to the fact that in several cases the Princes prevented the evolution of the bourgeoisie, initiated top-down reforms for a socio-economic restructuring of the society in the following centuries, the bottom up approach could play only a minor role in the modernization process. As a social consequence of Puritanism and the Presbyterian Church, a bottom up socio-economic restructuring of the society began in the Netherlands and Switzerland, in which process the evolving petite bourgeoisie and middle class played a major role. The case of the Principality of Transylvania was special. Calvin’s Reformation was predominant; however, as opposed to the “bourgeois” feature of Calvinism in Western Europe, it was characterized by the nobles in Transylvania; the power was concentrated in the hands of the monarch and there was little space left for the spreading of Puritanism and the Presbyterian Church.

2) Luther’s dualist and Calvin’s conversionalist approach towards the relationship between Christianity and culture are different in two aspects: on the one hand, Luther’s perspective is rather eschatological, whereas Calvin’s approach concentrates more on the present and the circumstances of this worldly living, thereby, it is

more evolutionist in its perspective. This perspective is related to the Cultural Protestantism of the 19th century (from Schleiermacher to Harnack), which realizes full reconciliation between Christianity and culture in the idea of the kingdom of God. On the other hand, Luther's theology refers to a more individualist, whereas Calvin's approach to a more socialized behaviour, one that focuses on the entire society. We can see an individualist orientation of actions within the system of depravation, and a socialized orientation of actions where the order is depraved. Calvin assumed a tighter relationship between the church and the state; in his opinion the state should not only be a negative servant of God, having the negative role of controlling the evil, but also a positive one, the state should be a servant who has the role of promoting the welfare in a society.

Luther's opinion is that a person should accept his given status, he should be satisfied with a lower status in society, which implies less responsibility as well, and as such, it is more favourable. This view, however, does not really motivate the social mobility of the bourgeoisie. This conservative opinion is greatly different from Calvin's approach. Calvin believes that the parishioners are God's colleagues; he approves of a higher social mobility in order to develop the talents that people received from God; he believes that the education should be more widespread to be able to select the moral-spiritual aristocracy of a society, and this is the fact that becomes crucial in ensuring social mobility.

Luther's "economist thought," the approach which supports the role of the state, which prefers to a smaller or greater extent autarky, can be clearly seen in the German economic thinking. It was present in Cameralism and Economic Romanticism, in the works of Friedrich List and in the views of the "Pulpit socialist" historical school.

Because of human weaknesses and mistakes, Calvin believed that governing should be assumed by more than one person to make it more secure and lasting; accordingly, in state life, power should not rest with one person only. This principle was implemented in church life: the ecclesiastical bodies received power through the institutionalising of the Consistorial/Presbyterian systems. Furthermore, he also believed that the subjects could oppose their superiors; this thought became a central element of the Protestant public thinking in Hungary. Calvin further expected public expenditure, similarly to the citizens' "private expenditure," to be ascetic and moderate. His approach towards public expenditure and the opposing of the superiors was more shaded, more "bourgeois-centred;" later creed-writers seem to retreat on this issue.

Luther believed that "clear profile" banking cannot be allowed. Lending would be allowed only if the individual has other real economic activities as well. Consequently, the development of the modern banking system cannot be verified on this ground. The only financial institution type that might prove legitimate from this viewpoint is that of the credit unions, which truly are self-supporting organizations realized by real economic operators.

His doctrines emphasized the importance of commerce and the productivity of money, and he broke away from the traditions of interest payment, which became a general view of the followers of the Calvinist Reformation. We can say that Calvin cut the chains binding the development of the economic life, in other words, he became the creator of capitalism.

3) With the slow decline of the feudal system of the Late Middle Ages, absolutism became more and more powerful in the states of Western Europe. The attitude of Protestantism towards this issue was bi-fold. In Lutheran German Princedoms modern, liberal state of law could be achieved through absolutism (in economic terms, the German Princes followed a Cameralist economic policy); however, in Switzerland, the Netherlands

and Britain the development was carried out in constitutional forms. In the Netherlands and Britain, the evolving absolutism was defeated by the political counter-effect of Protestantism, Calvin's Reformation, and, in particular, the Puritan Reformation (economically, a mercantilist economic policy gained ground in these states where private initiatives were highly welcome).

Puritanism, which appeared in Transylvania in the 17th century, was confronted by Protestant Orthodoxy on the grounds of theology and dogmas, and as it also represented a democratic way of the presbytery system, it was bound to fail. While keeping up the equality of rights, we can see that the Reformed Church was in a way favoured, it obtained a quasi state church role. This was the tendency from the ruling of István Bocskai, Gábor Bethlen, but it was more evident under György Rákóczi I and II. This model was akin to the church government model of the Protestant German Princedoms. The Principality of Transylvania, based on the union of three nations and four religions, ensured the feudal rights of freedom; however, certain sovereigns, Prince Gábor Bethlen, and Princes György Rákóczi I and II tried to achieve absolute power and drive back the power of the feudal estates, which tendency could be detected in the quasi state church approach of the Reformed church and in terms of economy, the advancing of a pre-Cameralist economic policy.

In Royal Hungary and in Transylvania, the role of Protestantism became special: in areas where the Habsburgs ruled (which, following the reunion of the country in the 18th century, included the entire land of Hungary, the Principality of Transylvania and the lands formerly occupied by the Ottoman Empire), as a result of the king's absolute aspirations and the Counter-Reformation, Protestantism was striving to keep up the feudal freedoms and to preserve the previous state-law relations. Accordingly, its role in preserving the feudal relations ensured that certain constitutional regulations and forms remained intact until the 19th century (in certain Austrian and Bohemian provinces of the Habsburg Empire the case was different). However, in the 19th century, Protestantism turned to support the evolution of a liberal state of law.

4) Prince Gábor Bethlen's actions to realize a competition of the guilds, to settle in Transylvania Moravian Anabaptists and craftsmen from Gdansk in order to curb the strengthening of the bourgeoisie and that the Prince established trade monopolies were disadvantageous to the capital forming of the bourgeoisie although these actions were undeniable due to the growing demands of the state treasury, and, especially, because of the heavy Ottoman tax burdens. In the beginning, the civil society was quite weak. This may reason the Prince's accelerated program of economic development. However, due to his growing influence in politics, the church and the economy, and his establishment of monopolies, the bourgeois mentality had to suffer some negative impacts, the Puritan ethic failed to shape capitalism and the capital forming ability of the bourgeoisie remained latent. In the literature, Gábor Bethlen's economic policy is generally referred to as "instinctive" or "practical" mercantilism. However, as it bore the features of the future tendency of Cameralism, and due to its being state centred and lacking the support for the emergence of the bourgeoisie, it may be considered more as "pre-" than "instinctively" mercantilist.

5) The anxiety for salvation was quite significant in the Puritan Literature of Hungary, too; it was accepted that from certain internal and external signs, true believers could be sure of their being the chosen ones; however, in traditional Calvinism, internal certainty, i.e. faith, and the external sign of living a merciful life proved highly important. At the same time, the idea that connects worldly success and wealth to the state of grace was rarely present.

There is reference to the fact that as early as in the last decade of 16th century, Calvin's "*Institutio Christiane Religionis*" was publicly taught in Hungary. Moreover, by the second half of the 17th century, when Albert Szenczi Molnár's translation was also available, there is evidence that it was widely read in the Reformed Colleges. All these had the major effect that the right of resistance became rooted in the Hungarian Protestant thinking.

We can say that János Laskai's translation of Justus Lipsius's 'Six Books on Politics or Civil Doctrine,' entitled in Hungarian as "*Justus Lipsiusnak A' polgári társaságnak tudományáról írt hat könyve*" had the most overwhelming influence on the 17th century state theory thinking in Hungary. We can trace analogies with Calvin's Protestant Ethic, for example, the importance of work, or the rejection of consumption; however, Calvin's thoughts on trading and interest payment that were rendered important from the aspect of the development of capitalism, were not present.

6) The theory of mercantilism first appeared in the literature on Hungarian national economy in the works of János Apáczai Csere, who had the most considerable impact on 17th century culture. The fact that he had studied in the Netherlands most probably influenced his works. It was in his works that the aspect of town planning was presented, which became important in the economic policy of Cameralism; later, Sámuel Tessedik's village planning concepts were also based on these ideas. Apáczai drew particular attention to the fact that the nobles being away from the homeland was disadvantageous also because hard money went out of the country. In order to avoid the draining of money by the young Hungarians' studying abroad, he suggested the establishment of an Academy with several Faculties, where, foreign professors could be invited to teach. This would be similar to the settling of foreign craftsmen, who also contributed to the revival of the country and the economic life.

Apáczai, who may be considered as a representative of Puritanism, proved inconsistent in representing the principles of Puritanism in respect of the presbyteries. Although he acknowledged the importance of the presbyteries in monitoring if parishioners lived a merciful life, he realized that there was no way to lead the church independently from the state and the superior church power.

His opinion that moderation should characterize budget expenditures and that regular tax payment should be the lowest possible were consistent with Calvin's and Lipsius's views. Like Calvin, Apáczai reminded of the dangers of a democracy or of an aristocratic leadership where governing is conducted by a group of people, as well as the danger which is present in the other main type of leadership, a monarchy, where the monarch may turn into a tyrant. However, unlike Calvin, Apáczai did not deliver his opinion in the issue whether a one-man leadership or an administration by a group of people would be more favourable.

In lending, Apáczai believed there was no ground for interest payment; thus, Calvin's approach could not be detected at this point in his works; however, Calvin's views that were expressed a century earlier, had become widespread in the Netherlands, and from there, had become accepted in Britain too, and so, Amenius, who had a great influence on Apáczai, had already adopted Calvin's theory on interest.

7) Sámuel Tessedik's works are in a way linked to János Apáczai Csere's legacy. He also expressed the need for economic training in order for the society and the economy to revive. Tessedik realized the role of domestic demand, the importance of the division of labour and the opportunities for the expanding of economic relations and the need for the development of the domestic industry; besides, his support for the tools of a top-down organization of economy was also a Cameralist effect.

His dislike for usury was in line with the Early Modern Age criticism of Calvinism. Tessedik rejected the direct regulation of usury by prohibitive acts, and suggested that a better organization of the economic life would serve a solution.

The characteristics of the Cameralist economic policy can be seen in his views on architectural regulations, village planning and the securing of food supply by the building of extra granaries. The Protestant church government traditions and the democratic elements of the Presbytery system can be detected in his opinion on the role of leading factors affecting a village's life. His suggestion for preaching to be about practical questions was a Puritan idea, the prohibition of begging was both a Lutheran and a Calvinist tradition. The introduction of a vice-squad and the obligatory work schedules were clearly Calvinist influences.

8) At the end of the 19th century, the country had to face the concern that the social and economic development in Western Europe went off the basis of the Protestant ethic; for the sustainability of capitalism, it was no longer necessary that the leaders or bearers of the economic system should individually identify themselves with these ethical norms. Ascesis in this world transformed the world; however, the worldly pursuits were given power over people, and so, the spirit of ascesis died. The responsibility is twofold: on the one hand, the capital forming ability ensured by a capitalist economy serves individual luxury consumption and not the evoking of social products; and on the other hand, in a large-scale system the limits of individual responsibility become blurred, and the negative effects of a bad business decision on the wider group of the workers' income (e.g. the effects of unemployment) are disregarded. As a result, it was imperative for the different Protestant churches to form their social-ethical views. There are four main currents to distinguish.

a.) The Evangelical Church in Prussia, being the state church of the country, with its social conservative system of views, had a great impact on Bismarck. Based on this ethical system, social reforms began: the welfare and social security programs were implemented on the state's initiative, from the government down, within the framework of capitalism. In Hungary, however, the connection between the state and the Protestant churches was less tight; thus, we cannot talk about similar effects here. Nevertheless, the German liberal theology had a significant impact on the Hungarian Protestant thinking in the second half of the 19th century.

b.) Internal missions were increasingly intensive in England and Scotland. Their charity work was conducted within the framework of civil organisations working beside churches, and it was based on the parishioners' quality of religious life and their merciful way of living. Their influence, however, was only practical and not theoretical. Their resources were extremely limited and, on several occasions, the official religious authorities did not support these movements. Thus, in respect of our research, their role was irrelevant.

c.) As opposed to the previous two approaches, which aspired to implement social programs within the framework of a capitalist system of economy, religious socialism aimed at a revolutionary change of the socio-economic system, however, was automatically rejected by the Protestant church and its parishioners. This trend had one outstanding representative in Hungary, Zoltán Jánosi, a theologian from Debrecen.

d.) Historical Calvinism stressed that people should have an active religious life and live in a merciful way. It also emphasized that, in a capitalist system of economy, social programs based on Calvinist ethics should be presented in public life. This approach evolved in the Netherlands. Its leader was Abraham Kuyper, who initiated a program based on the idea of "free church in a free state." In his views, this free state should be governed by the will of Christ; accordingly, highly religious Christians should lead the country, and Christ should reign over politics as well. In the Hungarian Reformed Theology, Prof. Jenő Sebestyén was Abraham

Kuyper's most devout follower. The works of Sándor Makkai and László Ravasz were also inspired by Historical Calvinism, but their works were further influenced by the Neo-Kantian Value Theology that may be linked to Liberal Theology of the 19th century. Its most remarkable writers were Schleiermacher, Ritschl and Harnack, and its Hungarian representatives, Károly Böhm and György Bartók.

9) Liberal theology may be understood as an approach which was philosophically and sociologically well-grounded, one which aspired to harmonize the Bible with science and one that excluded the eschatological feature. It became sensitive to social issues after Schleiermacher's turn, and was opposed to the passivity of the Lutheran Orthodoxy, which we can see with reference to the Reformed church in the passivity of the Debrecen Orthodoxy compared to the Transylvanian ethos based on Puritan traditions. The approach of liberal theology and the rise of Cultural Protestantism can be detected in the works of religion sociologists Troeltsch and Weber. Adolph Wagner and Gustav von Schmoller were the two most outstanding members of the second generation of the German Historical School. They were most definitely the researchers who reviewed the model of liberal capitalism and who expressed the fundamental spiritual, scientific and political principles of a social state system, which was an antecedent to the later social market economy. They thought that Bismarck's socio-economic policy was rooted in the Lutheran Protestant traditions of state theory; they also stressed the close relationship between the German/Prussian state traditions and the Protestant ethic, in which relationship the role of the clerks was particular: they played both a Christian and a state role.

10) In Kuyper's opinion, pursuant to Calvin, the most desirable state is one in which the people choose their own superiors; however, he rejects the French concept of the sovereignty of the people and the German concept of the sovereignty of the state. Sovereignty in a state means that the sovereignty of a given life circle will become firm; accordingly, the universities will get scientific power, the industries will gain power over certain technical abilities, the trade unions will have power over the work force. All these circles will become aware of the fact that in their own fields they are fully entitled to make their own judgements and are fully capable to act. However, the state may intervene. The state has to guard if these circles avoid conflicts and if they respect each other's boundaries. In each circle, the state must also protect the weak, the individuals from the ill-treatment of the stronger ones. As a third task, in order to preserve the balance of natural unity in a state, all must be obliged to carry the personal and financial load together. The constitution shall regulate the cooperation between the sovereignties of the state and the social circles. The Parliament may be the platform for the enforcement of people's rights and people's freedoms with the help of the superiority of the state or in opposition to it.

11) At the turn of the 19th and 20th centuries, Hungarian Protestantism had to face new challenges: social problems came more into the fore, and the issues concerning the existence of the state and constitutionality had to be suspended. Max Weber's capitalist ethic and classical liberalism regarded capitalist success as a result of diligence, self-control and certain human virtues; risk taking was not a fundamental criteria. However, from the second half of the 19th century, in production and investment processes, the management of the accumulated capitals and the operation of the capital market system grew in importance. In the market processes, capital investment risk taking became a most significant factor. As a result of these processes, however, a lot of people were rewarded, many, who, in the classical sense of the word, were not diligent, whose gaining wealth or realized income was not in line with the invested work and individual effort. In many cases, the income of real economy operators (e.g. farmers, craftsmen etc.), however, fell behind the level they believed

their diligence and effort would have explained. These problems were quite acute in the peripheral economies of Europe, markedly, in Central Europe. The occurrence of the distorted forms of liberal capitalism and the current of socialism demanded Protestantism to respond to the social issues, and to the question of the connection between capitalism and the Protestant ethic. Moreover, the Hungarian capitalist society and economy evolved in just a couple of decades (as opposed to certain parts of Western Europe) and was not based on the Protestant ethic; consequently, the task of forming social-ethical views became more pressing in Hungary than in Western Europe.

12) Liberal theology was the dominant theological approach at the end of the 19th century in Hungary. Its spreading was primarily due to the rising social role of the bourgeoisie. This social group intended to remove the regulatory barriers of economy, as well as those binding the free competition of ideas. In a modern society, they saw the effects of the ideas of the Reformation, and in democracy, the rising of the Calvinist Presbyterian doctrines. The spreading of liberal theology could, to a smaller extent, be connected to Transylvania (György Bartók, László Ravasz and Sándor Makkai), but mostly, to the Academy of Theology in Pest (Farkas Szóts, István Tisza, István Bernát and István Kovács J.).

In Bartók's opinion, the Jesus approach does not mean the reconstruction of a social system. It means that it is through the spiritual rebirth of the individuals that social problems can be solved. In comparison to collectivist socialism, he emphasized the individual approach of Christianity. Calvin's ethic is apparent in his opinion on the importance of work and moderate consumption. As opposed to a pre-modern state, a modern state at the turn of the 19th and 20th centuries was obliged to protect the law and order, create the conditions for the spiritual and moral development, and it had the right to intervene in case of industrial or commercial advancement questions. In this last issue, it could rely on the Protestant Church's help. Consequently, Bartók emphasizes the importance of the state power subordinated to the effect of religion in managing the socio-economic tensions of the age, which opinion is similar to Calvin's views on a city state and Kuyper's ideas on the state of the Netherlands.

Farkas Szóts, similarly to Weber and Troeltsch, also found that the level of enterprise was higher in Protestant areas and that the economy of states which were based on the rights of freedom derived from Protestant principles and organized with the observation of the principles of parliamentary and local government, perform better. He believed that the Reformation's notion of the freedom of research meant the liberation of scientific thinking, the emergence of technical and industrial inventions and so, the basis of the economic growth of the 19th century. The division of wealth, money and work, the problem of solving the inequality between the interests of the employers and the working class became central issues. In managing them, pursuant to the Bismarck example, the state's social policy is mentioned as a solution; however, the individual's moral responsibility was emphasized as the most important factor.

István Tisza believes that state intervention should be kept to the minimum, and in accordance with the Protestant traditions, the basis should be laid on the free operation of the social powers. In his opinion the national interest should be elevated above the problem of the interests that lie between the employer and the employee, the capitalist and the proletarian, the trader and the farmer, at the discretion of the individual social factors. To achieve all these, however, a spiritual regeneration of the society would be inevitable, and the material aspects should be subordinated to higher ideas. The Calvinist traditions can be clearly seen in his

emphasizing the responsibility of the individual, and in connecting the ideas of work ethics and moderate consumption.

István Bernát viewed it as a problem that the ideas of the necessity of economic advancement and the assessment of the members of the society on the basis of their work done had always been outside the scope of the national soul. This resulted in the limitation of the demands, and this did not serve the emergence of the Hungarian nation to the level of the advanced European nations. The belated economic emergence in the 19th century was due to external reasons: the process outside the scope of the national soul, the emancipation of the Jews, the development of railway lines, the work of foreign entrepreneurs and skilled workers and the related inflow of foreign capital behind them. This, however, focused on the capital city, thereby the country fell further back; this also intensified the mobile layers of the society to move towards the capital city, which caused further losses. Besides, the consumption patterns in the swiftly growing capital became widespread; however, there were no domestic economic bases to satisfy this consumption. Bernát points out the absence of the Protestant Ethic bases: the weakness of work ethics, the strengthening role of consumption and the weakness of the domestic enterprise. He forms his opinion that both the large-scale industrial groups and the wider, non-capitalizing layers of the society are unsuited to develop capitalism on a Protestant base; in terms of the state's preference towards the capitalist groups, he expresses his concern that free competition based on liberal principles is absent. Pursuant to Troeltsch's and Harnack's research, he stresses the role of the Christian moral and culture in solving social problems, which receive primary importance in all social tasks; in his views, the lower classes can emerge only through moral and cultural teaching. This thought was emphasized in Apáczai's and Tessedik's works as well. Bernát believes that the church should make it clear for the rich as well that wealth entails certain obligations toward the community. At the same time, in reference to Adolph Wagner, he thinks that apart from individual social role taking the social and moral transformation of the taxation system is also a must.

István Kováts J. accepts Sombart's opinion that the church, in its historical development, served capitalism and forgot its social task. He agrees with Harnack, who said that the gospels convey significant social messages; namely, they pronounce solidarity and fraternity towards the poor, which are related to the acknowledgement of the infinite value of the human soul; however, the idea of a violent transformation of the present relations is far from the ethos of the gospels. Like other representatives of liberal theology, J. Kováts also recognized the problems arising from the transition towards a capitalist system of economy. He also believes that these issues can be managed at the level of the individual, and from a spiritual aspect. His thinking, similarly to the thinking of the Early Modern Age, and so, similarly to Apáczai and Tessedik, was influenced by the aristocratically democratic ethos of Calvinism, with primary importance given to the school system. As regards the relationship between the individual and the community, he contrasts the extremely liberal approach to nationalism, the approach pronouncing the idea of an omnipotent state. In his opinion, from the aspect of the Reformed church, neither approach is acceptable. The economic system is based on private property; however, to keep up the nation for a long time, it is inevitable that the capital, the lands and the working opportunities be allocated more fairly. Only this can ensure peaceful development; the state's omnipotence cannot save one from the shocks of revolutions, it is only the soul of the gospel that can permeate the individual. Similarly to Kováts J., the synthesis of the individual's and the community's interest is present in Tisza's ideas as well. The role of the private property, its being necessary from the aspect of the individual's ambitions and social advancement was in line with the ideas of István Bernát, Jenő Sebestyén and László Ravasz.

13) At the turn of the 19th and 20th centuries, in terms of the “Renaissance of Calvinism,” three approaches may be distinguished: historical Calvinism, church Calvinism and Pietistic/Spiritual Calvinism. The most influential of these, at least in relation to social questions, was historical Calvinism. From the aspect of theological awakening of the turn of the centuries, it must be noted that the previous and the following periods did not stand out in sharp contrast. There was not a huge gap between theological liberalism and the search for possible new ways of Calvinism, namely, historical Calvinism. This was pointed out by the theological history of Transylvania in terms of personal continuity. From the aspect of the relationship towards culture, the opinions expressed by, for example, István Kováts J., István Bernát, the spirit of Cultural Protestantism represented by theological liberalism, and the conversionalist Calvinism were not very distant from one another. As a result of the change in the public situation, Protestantism received a greater role in social work compared to its earlier role in the protection of the constitution. Therefore, there was a kind of bias in certain aspects of Calvin’s understanding of the society. This was a natural consequence of the changes in the feudal system, the system which was previously supported by Protestantism in its fulfilling the role of protecting the constitution. This, on many occasions, had a negative impact on certain groups of the society in the second half of the 19th century. In these groups the weight of the Protestant elements was significant. Above all, this was true to the lesser nobility and the middle nobility who played a decisive role in the leading of the Protestant churches, and whose social positions highly declined. Furthermore, certain groups of serfs had difficulties in adapting to the agricultural economic circumstances; in many cases they had to leave the agricultural sector and try to find living in the industrializing cities. Thus, they were uprooted from their earlier, traditional village communities both socially and religiously. Consequently, the church’s turn to these social groups, be it from religious or social aspects, set some significant new tasks to the church.

14) Jenő Sebestyén, like Kuyper, rejects the concept of the sovereignty of the people which was rooted in the French Revolution, and the German concept of the sovereignty of the state. Sovereignty of the state cannot be separated from the sovereignties of the different life circles and the different social roles. In his opinion, work, commercial life, education and scientific life all have their own sovereignties, which are derived directly from God, and as such, they are independent of the sovereignty of the superiority. He also expresses the obligations of the state, namely, the protection of the citizens’ life, occupation and property with the help of the law and order and the sword. The state should ensure the citizens’ freedom to achieve their living conditions, to find work and to grow rich while observing the moral rules and regulations. This, however, cannot mean that the state should provide work for the citizens, to support them financially or to give them unemployment pay. Nevertheless, in order to provide a more secure and undisturbed way of living, the citizens should not be burdened with heavy taxes. This idea is in line with Calvin’s ideas on taxation, but this concept is also present in Apáczai’s works.

Sebestyén believes that wherever Calvinism was spread, the resulting deep and devoted religious life was accompanied by economic prosperity. However, Calvinism in Hungary was not very strong and rich financially and it was not very strong in terms of religious life, and so, the effect of Calvinism on the development of capitalism cannot be exemplified on Hungarian examples. Moreover, the layers of the Hungarian society that were rich financially were not rich morally; they lacked the morals that would control their financial matters. Early capitalism could be characterized by the Puritan approach of “ora et labora.” It meant an ascetic life: continuous work, the rejection of all luxuries and the keeping of living expenses at the lowest possible level. Here, the accumulation of capital could serve two goals: give work to new people or give it to charities. The

exploiter capitalism of the age was characterized by the accumulation of capitals originating from bold speculations; it was the approach that viewed earthly wealth as a final destination, and its main goal was the ruining of small enterprises and the exploitation of the workers. Accepting Troeltsch's opinion, Sebestyén pointed out that the operators in a capitalist economy had given up on the principle of killing the body, but kept the principle of "Soli Deo Gloria," the planned, regularly divided diligence. As a result of the boost of colonization, the technical advancements and the decline of religious thinking, an entrepreneurial class developed in modern capitalism which considered the gaining of money as an end in itself, and which accepted the regular exploitation of all economic contacts in the fierce competition. He assessed as a problem of his age that the decline of the Calvinist religious life entailed the decline of the Calvinist approach on the transformation of a society. This opinion was related to Calvin's conversionalist approach on the connection between Christianity and culture.

15) In Sándor Makkai's works, we can see Troeltsch's approach on the adaptiveness of Calvinism to the modern, capitalist world. However, in his criticism of the economy that is built on motorization, he indicated the separation from God, the distancing of capitalism from the Protestant moral-spiritual bases, the prominence of delight and consumption instead of work culture. His criticism is akin to Harnack's reprobation that the Christian churches became soldiers of the bourgeois state. Similar to other researchers of his age, he rejected the collectivist approach in solving social problems; however, he also rejected the heartless capitalism of his age, and called for the preservation of the individuality's reality, autotelicity and freedom. In gospels there is no such notion as a crowd. Gospels are for the individuals, and through the individuals, it has a power to transform the world.

16) László Ravasz supports ideal liberalism. The Calvinist concept on the relationship between the state and the church is present in his research; the church's role in lecturing the leaders of the state which is also expressed in his works can be seen in the Calvinist approach and in Apáczai's works as well. The effect of Kuyper's principle of the sovereignty of certain social life circles can also be detected in Ravasz's work, and, like Sebestyén, he is in favour of a capitalist system, a free economic order that rejects the misuse of a dominant position. Ravasz's viewpoint is akin to Jenő Sebestyén's assessment of capitalism and the criticisms of István Bernát and István Kovács J. on mechanized capitalism. He saw the solution in the revival of the society on a Christian moral base and the responsibility of the individual. He urged the reformation of capitalism as he feared that otherwise the state would shift towards totalitarianism. The socialism of the gospels are contrasted to the ideas of capitalism and socialism: in this viewpoint the capital does not belong either to the individual or to the public. It entirely belongs to God. God leaves his own capital to negotiators, who can either be individuals or the public; the matter is indifferent. We must be independent of material assets as they do not belong to us, but to God. Therefore, the person, to whom God temporarily leaves them, should be independent as well. This person can be saved only by Puritanism: the idea of the gospel that life is for work and not for having fun. However, the person who has yet no property also has to be independent since he has a lot of other things that are more valuable than property: his immortal soul, the beauties of his moral world and an entire world system of the human personality. Like other Protestant thinkers, Ravasz also emphasises that the key to a better operation of a society is the spiritual revival of the individuals under the rule of Christ.

17) The period was marked by continuous social conflicts and problems. In the beginning, the real danger lay with the leftist movements, the social democratic and communist ideologies based on materialism;

later, in the period following the Great Depression, the rising leftist and rightist radical tendencies, communism, fascism and the national socialist ideology had to be confronted. However, the Protestant public opinion was averse to the Catholic social teachings of the era as well: to Christian Socialism of the 1920s and to 1930s Corporatism in which a community is viewed as a body based upon the functional distinction and roles amongst individuals. Consequently, in opposition to competing theories, the Reformed Church was urged to adopt a separate, theologically well-grounded position, social teaching in the matter.

We can also refer to the reaction given to the connection between Protestant identity and the Spirit of Capitalism: the ideas presented in the analyses published at the turn of the 19th and 20th centuries on the Sociology of Religion and the History of Economics, and the earlier thoughts on the connection between Protestantism and Capitalism, all incorporated in the identities of the coming Protestant generations. As a result, clinging to the “Spirit of Capitalism” became a “mandatory feature” of the Protestant understanding of society. As a result, the research papers published at the turn of the centuries already present this reaction. It became even more apparent after the Great Depression: Protestant Social Ethics remained distant to corporatist and other collectivist social experiments, but insisted on liberal socio-economic answers.

18) Upon on the above, we can conclude that, in Early Modern Age Hungary, Protestantism and Calvinism, in particular, could not exercise its “active” power in the shaping of capitalism. This may be due to different reasons: the theological bases; the organization of the church, thereby, the relationship between the church and the state; the economic/social historical background and the economic policy applied; and the positions of certain Protestant theologians and “economic thinkers” on economic issues. Eventually, all these led in the second half of the 19th century to a belated capitalist transition in Hungary, which transition was was not based on the Protestant Ethic. From the end of the 19th century, a “passive” effect of the Protestant ethic in the shaping of capitalism became obvious: it reflected on the distorted forms of capitalism and it expressed its socio-ethical views on socio-economic issues which came to the surface as a result of the development of capitalism. This passive role may be assessed more positively. The outstanding representatives of certain theological approaches of the period accepted and followed the idea put forward by Adolf von Harnack at the turn of the 19th and 20th centuries. In his opinion the most important challenge Protestantism had to face was to form its opinion about social issues.

IV. Publications

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