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A table of contents for *Christian Graduate* can be found here:

[https://biblicalstudies.org.uk/articles\\_christian-graduate\\_01.php](https://biblicalstudies.org.uk/articles_christian-graduate_01.php)

# THE IMPACT OF CHRISTIAN TEACHING ON INDUSTRIAL AND COMMERCIAL LIFE

By H. F. R. CATHERWOOD, M.A.

THE Christian is told that he is to be the 'salt of the earth' and a light on a candlestick to be seen of men. It is the clear teaching of the Bible that he should make an impact on the world around him and, indeed, it is fairly evident from history that he has done so. The pagan Roman Empire could not resist the force of Christian teaching, nor could the pagan tribes which invaded the Empire from Germany nor the Danish tribes which invaded England. Teaching may have been corrupt and conversions may have been spurious, but there was enough purity to respond to the Reformation when corruption over-reached itself. The exodus from the churches in our own country since the First World War and the unbelief of our own generation should not blind us to the power which Christian teaching has exercised over men's minds for almost 2,000 years. It should not, therefore, surprise us if we found that Christian teaching had exercised a powerful influence on the economic life of those countries in which it was practised.

## THE EFFECTS OF THE REFORMATION

Until the Reformation the Church appears to have had a considerable influence in economic affairs, though mainly in a negative way, as a guardian of morals in business dealing. The medieval view of economic life was static rather than dynamic. It was an age in which men talked of 'the just wage' and 'the just price' and in those circumstances it was easier than it is today for the Church to pronounce upon such matters. However, the underlying attitude of the Roman Church has always been influenced by the Gnostic heresy, which taught that matter itself was evil. It has tended, therefore, to teach that poverty is a virtue and to set more value on withdrawal from the world than on the duty to work. It is not until the Reformation that we can see the impact of a less adulterated Christian teaching. The Reformation affected Germany, Switzerland, France, the Netherlands, Scandinavia, England, Scotland and, to a lesser extent, Bohemia and Hungary. After the wars and upheavals which followed, the northern halves (roughly) of Germany and the Netherlands settled for the Protestant cause; France granted toleration to its strong Protestant minority, the Huguenots; the Catholics gained the upper hand in Bohemia and Hungary; and Scandinavia, England and Scotland became firmly Protestant. Switzerland, too, was mainly Protestant. In due course, North America, Australia and New Zealand also became predominantly Protestant countries. France retained both religions until 1685 when the Edict of Nantes was revoked and for 104 years it was a Catholic state. At the Revolution it became a Secular state and has remained so to the present time.

## ECONOMIC EFFECTS OF PROTESTANTISM

No-one could maintain that these Protestant states were Christian in their every action or even that a majority of their citizens gave more than a

<sup>1</sup> This article is based on discussions in the Graduates' Fellowship Industrial Group, and it is hoped to develop the subject further in future articles.

nominal allegiance to the faith. Since the Reformation, attachment to Christianity has waxed and waned and in this country at present not more than one person in ten attends church with any regularity — though in North America the proportion is one in two and the trend has been upwards. What can be said is that in the formation of the culture and outlook of all the Protestant nations, the Christian faith has probably been one of the strongest influences and that the periods during which Christianity was strongest were often the very times when changes were most far-reaching and, in retrospect, most enduring. It is not, therefore, irrelevant to look at the economic records of individual Protestant countries and to compare them with those of countries which have a different religion and culture. We find that there is a clear pattern. Taking the income per head of population (*Economist* — 1962) as the best indication of national wealth, the Protestant countries bunch decisively at the head of the list, followed by the Catholic and Greek Orthodox countries.

Two secular views are put forward for the prosperity of the Protestant countries. One is that it is the effect of a temperate climate. This does not really bear examination. U.S.A. and Australia are both countries with extremes of climate and both are exceptionally prosperous. Eire and Denmark have almost identical climates, products, populations and resources, but the Danish income is twice that of Eire. The natural resources and climates of North America and South America are very similar and both were settled by Europeans, but one is prosperous and developed and the other is poor and under-developed. Within countries, the Protestants are usually more prosperous than the Catholics. This is true of Canada, Switzerland and Ireland. The other common secular view is that the characteristics which lead people to work hard also lead them to adopt the Protestant faith. Although this sounds a reasonable view for those who do accept Christian teaching, it is quite contrary to that teaching. We are told that the faith is for all and that 'there is neither Jew nor Greek . . . bond nor free'. If God is sovereign, as the Bible teaches, He cannot be limited by such trifles as national or social characteristics. But even from the secular point of view, the argument does not hold. There is no evidence that before the Reformation the Swedes, the Scots or the Pomeranians were more hard-working and prosperous than the Italians, the Spaniards or the French. On the contrary, southern Europe was much more advanced than northern Europe. The converts of Whitefield and the Wesleys were mainly from the hitherto improvident working class. In the last hundred years the Christian faith has been accepted by members of every race in ever-increasing numbers. The facts do not support the argument that social or racial types respond more readily to the Christian faith.

Various other factors affect the prosperity of countries. War has a temporary effect, so does the possession of natural resources in current demand. However, it is noticeable that some of the most prosperous countries have scarcely any natural resources. This is particularly true of Switzerland and Holland and the natural resources of others, such as New Zealand, Denmark and Norway, are limited.

## PROTESTANTISM AND CAPITALISM

We can conclude that there is some weight of circumstantial evidence for the view that countries where the Protestant ethic predominates are more likely than other countries to have a satisfactory standard of life and that the Protestant countries have been the economic pace-setters. This evidence is backed by some limited social studies. At the beginning of this century, the German social historian, Max Weber, did a major study entitled *The Protestant Ethic and the Spirit of Capitalism*. In this country, the out-

standing work was done by Professor Tawney. He acknowledged Weber as the authority, wrote the introduction to the English translation of Weber's book and in the thirties published his own book *Religion and the Rise of Capitalism*. Other writers have also dealt with aspects of the subject in passing. Together these studies give some of the apparent social reasons for the greater prosperity of the Protestant countries. Weber had noted that business leaders, higher grades of skilled labour, and the higher technically and commercially trained personnel in any country of mixed religions, were predominantly Protestant. He concluded that the underlying attitude of mind of Protestants was different. Their ethos was more dynamic than that of any preceding trading system. When this spirit took hold of some members of a trade which had been carried on with a traditional rate of profit and a traditional rate of work, the 'leisureliness was suddenly destroyed . . . the idyllic state collapsed and gave way to a hard frugality in which some came to the top because they did not wish to consume but to earn'. The men who carried through this change had grown up in the hard school of life, calculating and daring at the same time, above all temperate and reliable, shrewd and completely devoted to their business.

Weber looked for the background to the ideas of this new generation and found it in the Protestant conception of 'calling', a conception unknown among either Catholic people or in classical antiquity. 'The idea of calling is a product of the Reformation and one thing was unquestionably new. The valuation of the fulfilment of duty in worldly affairs as the highest form of moral activity.' To Luther 'labour in a calling appears as the outward expression of brotherly love' in contrast with monasticism's selfish renunciation of temporal obligations. Weber contrasts the Protestant attitude with the 'hand-to-mouth' existence of the peasant; the privileged traditionalism of the guild craftsman; 'adventurer's capitalism, orientated to exploitation of political opportunities of feudal magnificence.' He concludes that 'the restraints which were made upon the consumption of wealth, made possible the 'productive investment of capital'. Conviction of his own salvation cannot, as in Catholicism, consist in a gradual accumulation of good works to one's credit, but rather in a systematic self-control. God demanded not single good works but a life of good works combined into a unified system. There was no place for the very human Catholic cycle of sin, repentance, atonement and release, followed by renewed sin.' Weber regarded his work as no more than a preliminary study, but unfortunately he died before completing his investigations.

## THE ECONOMIC REVOLUTION

Professor Tawney's book was written in the thirties as a political challenge to laissez-faire economics and an appeal for a morality in economic life to replace the morality which the Church had tried to impose until the Reformation. The early Protestant church leaders had tried to maintain a moral code in business affairs, but the explosion produced by their own ethic had so enlarged and diversified economic life that the sort of control which the medieval church had tried to exercise on the simpler business life of its day, was no longer possible, trade became increasingly secularized until finally in the nineteenth century utility became the sole guide to action. Tawney is most interesting in describing the kind of men who created this explosive change:

'The enemy of Calvinism is not the accumulation of riches, but their misuse for purposes of self-indulgence or ostentation. . . . Calvinism is intensely practical. Good works are not a way of attaining salvation, but they are indispensable as a proof that salvation has been attained.'

'The Puritan has within himself a principle at once of energy and of order which makes him irresistible, both in war and in the struggles of commerce. In society Puritanism worked like the yeast which sets the whole mass fermenting. The conception which sprang from the very heart of Puritan theology was "The Calling". The rational order of the universe is the work of God and its plan requires that the individual should labour for God's glory.'

'The labour of the Puritan moralist is not merely an economic means to be laid aside when physical needs have been satisfied. It is a spiritual end and must be continued as an ethical duty, long after it has ceased to be a material necessity. The ideal of economic progress as an end to be consciously sought had been unfamiliar to most earlier generations of Englishmen. It found a new sanction in the identification of labour and enterprise with the service of God. The magnificent energy which changed in a century the face of material civilization was to draw nourishment from that temper.'

In order to avoid misunderstanding, the point must be made that neither Weber nor Tawney are saying that the Protestant ethic advocated 'laissez-faire' capitalism or can, in any way, be identified with it. The kind of utilitarian philosophy which says that 'What is good for General Motors is good for America' came two or three centuries later and was propounded by men who made no particular profession of Christianity.

The latest contributions to the subject have been by Christopher Hill, Fellow and Tutor in Modern History at Balliol College, Oxford. In *The Century of Revolution* (1961) he says:

'Calvinism liberated those who believed themselves to be the elect from a sense of sin, of helplessness; it encouraged effort, industry, study, a sense of purpose. It prepared the way for modern science. It was Puritan preachers who insisted that the universe was law-abiding. It was man's duty to study the universe and find out its laws . . . Bacon called men to study the world about them. . . . The end of knowledge was "the relief of man's estate". "To subdue and overcome the necessities and miseries of humanity". Acceptance of this novel doctrine constituted the greatest intellectual revolution of the century.'

However great the misery there may still be, it seems clear that the world in general and the Protestant countries in particular owe a debt to the Protestant Ethic and to the Christian ideals which were behind it. Without it, it is doubtful if there would have been the economic 'take-off'. The ability of the northern European countries to pull themselves up by their own boot-straps is a feat without precedent and so far unequalled. The initial advance of all other countries has been stimulated and sustained by injections of capital and technology from Western Europe and subsequently from U.S.A., which itself had received its initial capital and technology from Western Europe.

## THE SCIENTIFIC REVOLUTION

A little later than the economic revolution, and inter-acting with it, came the scientific revolution. Here too, early Protestants seem to have played the key part. Professor Herbert Butterfield — the present Vice-Chancellor of Cambridge — deals with this in *The Origins of Modern Science*. He takes the view that, although there was continuity from the ancients, through the Renaissance, to the moderns, 'we cannot say that essentially new ingredients were introduced into our civilization at the Renaissance.' In his view the real break-through came in the seventeenth century which 'represents one of the great episodes in human experience which ought to be placed among the epic adventures that have helped to make the human

race what it is. It represents one of those periods when new things are brought into the world and into history out of men's own creative activity.'

This scientific movement 'was localised and it is connected with the humming activity which was taking place, say from 1660, not only in England, Holland and France, but actually between these countries'. 'Not only did England and Holland hold a leading position, but that part of France which was most active in promoting the new order was the Huguenot section. After the revocation of the Edict of Nantes in 1685, the Huguenots in exile played a key part and as the pattern crystallized it was the northern half of the continent that came to the forefront and it was soon decided that this northern part should be British, not French, Protestant not Roman Catholic — an ally, therefore, of the new form of civilization.'

## PRESENT-DAY LARGE INDUSTRIAL ORGANIZATIONS

The Protestant Ethic (that is the Christian Ethic in what we believe to be its purest form) seems also to have promoted, by widespread acceptance of its high standards, a considerable fund of mutual trust and tolerance between men in their dealing with one another. The joint stock bank with its many small depositors trusting to its probity was different in kind from the enterprises of the Fuggers and played a material part in economic growth. Even today it would appear that certain types of economic organization are only possible on a general scale in Protestant countries.

The large and complex industrial organization (essential to cheap mass-production and distribution) is common to Communist, Socialist and Capitalist countries, but where it does not have the backing of the state, it must operate without any form of compulsion or sanction in dealing with its workers, suppliers and customers and it must attract workers, customers and capital in the open market against the offers of other similar organizations. Large and independent industrial organizations of today's size and complexity have not existed before this century. The extent to which they should, or even can, be made democratically answerable, is one of the major political questions of our time, but their success in raising living standards and in providing the governments with tax revenue on the unprecedented scale is not in question. The interesting point for us is that it does not seem possible to grow these organizations on any scale in other than Protestant countries. Elsewhere organization of this size seems to need military or feudal sanctions and docile labour; or monopoly powers and docile customers; or strong doses of expatriate capital and management; or they need the cream of a country's talent so that the country cannot sustain more than one or two such organizations.

The statistics tell their own tale. U.S.A., a predominantly Protestant country has, according to the Fortune list of 1960, 40 companies with sales of over \$1,000M against 7 in the rest of the world. Of the 10 largest outside U.S.A., 2 are Anglo-Dutch, 3 British, 3 German, 1 Dutch and 1 Swiss. (Consider the size of Holland and of Switzerland.) Of the first 50 outside U.S.A., 42 are in Protestant countries and of the remaining 8, France has 3, Italy 3, Japan and Belgium 1 each.

## INDUSTRIAL MANAGEMENT

Studies published in 1959 by Professor F. Harbison of Princeton and Professor C. A. Myers of Massachusetts Institute of Technology (*Management in the Industrial World*) compared the quality of industrial management in U.S.A., U.K., Sweden, Germany, France, Italy, Egypt, India, Chile and Japan. The first four all appear to have achieved a high standard of industrial management on a fairly wide scale and have, of course, a high standard of living.

Standards of management among the others are much poorer and, with the exception of France, they all have a very much lower standard of living. These weaknesses in management run to a pattern in all the non-Protestant countries and are traceable directly to ethical causes. Managers are gravely concerned with their authority and the preservation of their prerogatives. They prefer docile employees, 'who will not talk back or raise questions' rather than employees who are ambitious or efficient. Typical organizational structure is highly centralized and personal. There is little delegation and consequently much frustration and bitterness on the part of subordinate managers. Key positions are occupied by family members on the basis of family ties and not on the basis of performance. The family is more important than the enterprise. Maximum production and performance have little place in the family plans. 'The end, supreme and all pervading, is the family — its economic security, its social prestige.' The object of the business is to provide a reasonable degree of wealth for the family and it is not felt that the productivity of the enterprise need be pushed beyond this point. All this contrasts sharply with management philosophy in U.S.A. or U.K. where it is generally held to be intolerable that personal interests should stand in the way of a major enterprise, responsible for the employment and standard of living of thousands of workers.

### PRESENT AND FUTURE

It would be quite wrong to draw from these limited findings any conclusions of racial superiority or inferiority. The Protestant Ethic is clearly a waning force in any country in which the Christian faith no longer has great influence. Humanism, the prevailing faith in many of the countries which are still nominally Protestant, may have taken over many of the ethical ideas of Christianity, but it remains to be seen whether, having taken away the theology, the 'Why' of religion, the ethic, the 'What' of religion, will retain its grip. Only now are we encountering the third generation since churchgoing ceased. If the Christian faith ceased to have any influence in Northern Europe, but took a firm grip in say Brazil or Indonesia, both of which have growing Protestant minorities, then the relative patterns of national prosperity and growth might change quite decisively over a relatively short period. It is, unfortunately, all too easy to imagine the deterioration which could set in here if management and labour increasingly took their tone from their worst elements. Nor is it so very difficult to imagine the results of a full exploitation of the natural resources of Brazil or of Indonesia.

It would also be quite naïve to use these findings as an argument for laissez-faire capitalism and against, say, state socialism. Socialism may or may not be able to produce comparable prosperity. It is too early to say. If it does succeed it will probably be for different reasons, although non-Communist socialism does appear to require an even higher ethic than capitalism for its success. But the argument between communism, socialism and capitalism and their variations should not turn, for the Christian, on prosperity alone. The freedom of the individual is an even more important consideration.

What does seem fairly clear is that Protestant Christianity has provided an essential element in what was needed, and as a rule is still needed, to encourage the development of science, commerce and industry. This does not imply that all those concerned were more than nominal Christians, but only that they had a certain attitude to work which derived from the Christian faith and which was not found elsewhere. It is likely, however, that in any community the Protestant Ethic was chiefly promoted by those who were sincere and deeply committed Christians.

The basic doctrinal attitudes of these Protestants were biblical. The application of these doctrines is not very different today. We, who are of the same faith as they, in our generation also should have a strong positive view of secular calling. We should not regard careers in industry or business as spiritually inferior, but as a life work which can be done with whole-hearted Christian enthusiasm.

## THE INTERNATIONAL WORK OF THE I.V.F.

THE British I.V.F. has in God's providence been able to build up a considerable publishing house and to produce many reasonably priced books for students, graduates and other educated people. In many other languages there is virtually no such literature available and there are not even the occasional gems to be picked up off second-hand bookstalls. In developing a literature for students and 'intellectuals' in other countries our sister movements have therefore relied extensively on the British I.V.F. books for translation. In South America, for instance, where Evangelical missionary work is almost entirely amongst the less educated there is practically nothing suitable for students. When the I.F.E.S. started to develop work in Latin America, therefore, they realized an urgent need for such material and, finding a God-sent man in Mr. Alejandro Clifford in Cordoba (he was formerly a Professor in the University), they have helped to develop a literature service in Spanish which is growing steadily. The British I.V.F. raised most of the capital needed for the first two substantial books (Stott's *Basic Christianity* and Lloyd-Jones' *Authority*) and have continued to help to a small extent financially. What is perhaps most striking is the list of titles so far produced: the first was an American I.V.C.F. Bible study booklet, Margaret Erb's *Fundamentals of the Faith*, then came Stott and Lloyd-Jones, then Capper and Williams' *Towards Christian Marriage*, Evan Hopkins' *Henceforth*, Bruce's *Apostolic Defence of the Gospel* and in 1962 they hope to produce D. Johnson's *The Christian and his Bible*, Renwick's *The Story of the Church*, and one or more of Professor Hallesby's books. The same team also produces a high quality quarterly magazine *Certeza* which now has a circulation of the order of 10,000. (This magazine, costing 8s. p.a., and copies of the Spanish books can be ordered from the I.V.F. Office.) A programme in Portuguese is now being developed in Brazil.

At a time when enormous financial resources are being put at the disposal of others for the production of theological literature which promises to be largely liberal in outlook, this small programme, and the similar efforts all round the world, take on a special significance. At the present time, to mention a few examples, *Basic Christianity* is being produced in Chinese, Korean, Italian, Greek and Arabic, and *The New Bible Commentary* is being translated into Portuguese and Arabic. *The Quiet Time* has recently appeared in Korean and Viet-namese. Books by indigenous writers are, of course, much to be hoped for, and preferred, when they become available.

In Africa Mr. John Holmes has now started travelling in East Africa, while Dr. Fairbanks concentrates in West Africa. The British I.V.F. has promised to continue to try to raise the necessary finance for all the work in Africa.