

# Abraham Kuyper and Economics

By Joost Hengstmengel<sup>1</sup>

*Editorial Comment:* Kuyper regarded himself as a mere amateur economist, but this did not restrain him from expressing his opinion about where the discipline of economics should be heading. Economics was the key to the social question and was therefore too important to leave in the hands of either left or right. Joost Hengstmengel shows us how Kuyper, given the lack of Reformational economists, was forced to think his way through the contours of a Calvinist economy.

Articles about Abraham Kuyper traditionally open with a summary of the many hats he wore. He was a preacher, theologian and politician, but just as much a journalist and an organizer in both church and society. He was also a public speaker and writer as well as mountain climber and traveler, if we can believe his self-portrait, but he is never called an economist. That is not so strange, for he had never studied economics nor did he entertain any academic ambitions in that direction. He said of himself in the Second Chamber, “I who am merely a dilettante economist.” Nevertheless, to use a journalist expression, there definitely is a story in the combination of Kuyper and economics.

## Political Economy

Economics or political economy as this discipline used to be called, was far too important for Kuyper to leave it in leftist hands. The labour question that was so important to him was, according to him, caused by wrong economic theories. The so-called social question literally screamed not only for practical measures, but also for a reformation of economic thinking. He hoped that the juridical faculty at the VU, which was at the time the home of its political economists, would contribute to that development. Kuyper himself gave the necessary impetus in his writings about the social question, especially with his early example of an eleven-part series on the subject in his daily *De Standaard*. Editor-in-Chief Kuyper vented in numerous opening and subsidiary articles about other economic issues. Also in his role as politician, appeals were made to this economic knowledge. That he was merely an amateur economist did not mean that he allowed himself to be lectured

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at by the profs in economics that sat in parliament. In wide-ranging speeches he indicated in considerable detail where their dogmas were undermined by the facts.

At the time of his political battle for Christian education, there waged another “educational war” among economists. The discipline of political economy, having originated at the beginning of the nineteenth century in Great Britain and France, was for at least three quarters of the century dominated by the classic school. The liberal economists like Adam Smith, Jean-Baptiste Say and others, tried to figure out the natural laws of economic life in a deductive manner and placed strong emphasis on the power of self-interest and the danger of government interference. Mid-century under the leadership of Karl Marx a “scientific” socialism emerged that sharply criticized the faith in economic harmony. The capitalistic system, so praised by the liberals, existed by the grace of exploiting the worker classes and was now said to be on the brink of collapse. This concern for the position and circumstances of the workers was shared by the “Cathedral Socialists” of the German historical school that emerged at the same time. They pleaded for a historical approach to economic questions, with special attention for political, juridical and cultural factors. The real “*methodenstreit*”<sup>2</sup> about the question of the real method for the economy was at the time at its very early beginning. Other schools of thought such as marginalism and institutionalism in the economy also knocked on the door.

Kuyper would not be Kuyper if he did not have his own vision for a discipline that was not his.<sup>3</sup> He studied both Dutch and foreign economists where all the famous schools had their representatives and knew his way among them. He crossed symbolic swords with some of the degenerates in the Second Chamber, while he argued with others in *De Standaard*. In this context, the central question in *this*

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<sup>2</sup> Methodenstreit (German for "method dispute"), in intellectual history beyond German-language discourse, was an economics controversy commenced in the 1880s and persisting for more than a decade, between that field's Austrian School and the (German) Historical School. The debate concerned the place of general theory in social science and the use of history in explaining the dynamics of human action. It also touched on policy and political issues, including the roles of the individual and state. Nevertheless, methodological concerns were uppermost....

<sup>3</sup> I make a similar comment about myself in my *Caught in the Middle: Christians in Transnational Corporations*, p. 6. It is found on the BOERIANA page of this website.

article is: where does Kuyper stand in “econoland?” Also: How did he evaluate the economic discipline, how much did he know and along which lines must the aforementioned reformation of economic thought move?

## **The Social Question in Scientific Form**

The story about Kuyper and economics begins around 1869. In that year he borrows a book from the wife of Groen van Prinsterer with the German title *Die Arbeitsfrage und das Christenthum* written by the German Bishop Von Ketteler. At that time, Kuyper was pastor in the Dutch city of Utrecht and he began to worry about the working and living circumstances of the working classes. When industrialization broke through in the Netherlands, it disturbed the balance between capital and labour; the working man was reduced to an appendix of the machine.<sup>4</sup> Kuyper already then suspected that the social question had deep spiritual roots and demanded in one way or another a return to God’s Word. At the first Christian Social Congress in 1891, he presented the most developed version of his own answer in his famous lecture *Christianity and the Class Struggle*.<sup>5</sup> His opening speech is often considered the Protestant equivalent to Leo XIII’s encyclical *Rerum Novarum*, not a far-sought comparison.<sup>6</sup>

This is not the place to exam Kuyper’s vision on the social question. Relevant is that he blamed unjust economic theories for the economic difficulties of his time. As is so often the case with him, the evil began with the French Revolution. It came with an atomistic social vision in which society was portrayed as a collection of egoistic and materialist individuals. This vision was provided with a theoretical, politico-economic foundation by the classic school. Adam Smith and his followers preached a “mercantile gospel” of *laissez faire*, that resulted in a *struggle for money* and ultimately in a *struggle for life*, according to Kuyper. That is how the social distress which turned into the social question was born. The French

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<sup>4</sup> Having worked in the lumber mills of Port Alberni on Vancouver Island during my teen years, I know exactly what Kuyper meant here. Thanks to an aggressive union, good pay, but indeed, I was a mere appendix for much of the time.

<sup>5</sup> *The Problem of Poverty*, trans. and ed. James Skillen. Grand Rapids: Eerdmans, 1991. An earlier translation of the same original was published under the title *Christianity and the Class Struggle*, trans. Dirk Jellema. Grand Rapids: Piet Hein Publishers, 1950. Original title: *Het Sociale Vraagstuk en de Christelijke Religie*. Amsterdam: Wormser, 1891.

<sup>6</sup> At the end of the twentieth century Union Theological Seminary hosted a conference in which both publications were celebrated. It was an exciting experience for me to attend this event.

Revolution gave birth, according to Kuyper, to not only the liberal economy, but more indirectly also to socialism and communism. Its goal was after all not only liberty, but also equality and fraternity.

### **Liberalism and Socialism**

Nevertheless, Kuyper did not appreciate economic liberalism and (scientific) socialism equally. The first item he held responsible for the distorted and dislocated economic relationships, while he considered the second a reasonable reaction to the first. He warned his audience at the Christian Social Congress not to dismiss socialist scholars as zealots, extremists or empty heads. Marx, Engels, c.s. were one for one respectable and highly educated men. He wrote (or said), “The serious influence and power of socialists rest exactly on study and solid research.” He could largely support their analysis of the causes of the workers’ difficulties, but not their solution in terms of far-reaching governmental interference. To all appearances, Kuyper had read the works of Marx, Marlo and Rodbertus noted in his footnotes. Already in 1874 he referred to Marx in a letter to his mentor Groen van Prinsterer. With his knowledge of Marx’s *Das Kapital*, he would later chasten socialists in the parliament.

Kuyper’s lecture about the labour problem bespeaks jealousy with respect to both Catholics and socialists. Both were much farther advanced than his own segment of the population when it comes to the study of and the battle against the social question. The second stands or falls with the first, a deep research into the emergency situation of the society. He writes in a footnote somewhere, “On our side, we must study and work, for with jovial chats or superficial generalities we get nowhere with the social question.” He himself gave a good example with the same footnotes that take up almost half of the document. During the twenty years or so since he borrowed from Von Ketteler, Kuyper studied almost everything he could lay his hands on about political economy, especially over the labour question.

Actually, the two subjects could not be divorced from each other. His student Tiemen de Vries called political economy “the social question in scientific format.” Though Kuyper would have considered this observation too assertive, he did definitely read the economic literature of his day through the lens of the labour

question. An analysis of the footnotes in *The Problem of Poverty* as well as in his other social writings and political lectures indicates that he did not work very selectively. He was not only familiar with English and German Christian socialism, but he also studied the classic economists like Smith, Malthus and Ricardo, the works of Marx and his followers and especially the historical school in economics. Kuyper's sympathy was clearly with the last, that is, the older and younger German historical school and its American allies. It was only they who strove for a realistic perspective on economic development by paying attention to historical and worldview factors.

### **Preference for the Historical School**

Kuyper enjoyed lecturing on the classic school. He lectured now and then about Adam Smith's old-orthodox, the liberal Manchester school. As a rookie in the Second Chamber in 1874, he declared to his colleagues with the double last names<sup>7</sup> that the hegemony of the classical had lasted long enough. "The European society has long suffered under the hegemony of Smith's school that found its most powerful representative in Stuart Mill. It can be characterized as the school of the principle of individualism that had hoisted the lever of self-interest and posited pursuit of utility as its highest goal." Though it promised the man on the street the *greatest happiness for the greatest number, the actual result was the greatest discontent of the greatest number*. Fortunately, the time was ripe for change. He wrote in *De Standaard* that an alternative was now available in the ethical school of thought. Here Kuyper called a spade a spade.

His open declaration of interest in the German and American historical school followed seven years later in 1897 in the Parliament. In a wide-ranging lecture Kuyper identified himself with the "ethical, historical and social school." What was begun by economists like Henry Carey and Friedrich List and further developed by Wilhelm Roscher, Karl Knies and Gustav von Schmoller, represented the future. He asked whether the new Pierson cabinet was aware of this new school beside the old-orthodox school of Smith, Say and Ricardo? The liberal press pretended there was only one school, but anyone who had occasionally been abroad and kept up to date with foreign scientific literature (aka Kuyper), knew better. Would it not produce tension in a cabinet where some were adherents to the

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<sup>7</sup> Members of the higher class tended to have double last names like "Groen van Prinsterer."

the old school and others to the new? Was the cabinet homogeneous when it came to social reform?

### **Declarations of Faith**

It is tempting to quote extensively from Kuyper's lecture above. Never before had he presented his declaration of faith with reference to the economic-academic sector. According to Kuyper, the Dutch Christian parties followed the struggle between the classic and the historical school in the economy with special interest. Because of their world-and-life view they were diametrically opposed to the classical, but they were not driven against their will into the arms of the Germans. There existed a natural geniality between the Christian parties and the historical school. Did the economists of this school not give preference to the national element above the cosmopolitan, the social and organic above individualism and the ethical above "Mammonism?" It was an almost literal citation from List's *Das nationale System der Politischen Oeconomie* (1841), that served as one of the most significant sources of inspiration for Kuyper in the field of economics.

Kuyper's preference for the historical, inductive method in economics is also clear in his political stance. Interesting examples are his opinions with respect to the "tariff question," that is, the issue whether the Netherlands would do well by increasing import tariffs. Kuyper already wrote about this in 1879 in his book *Ons Program*. It preoccupied him till the day of his demise. I have found no less than twenty-three lead articles and seven subsidiary series over free trade versus protectionism in *De Standaard*. According to his own sayings, Kuyper favoured neither free trade nor protectionism. He strongly rejected dogmatism here, because the economic circumstances in various countries showed too much variation. This meant that "scientific research" could never lead to a "general conclusion" that one size fits all.

Simultaneously, Kuyper was definitely inclined toward trade protection.

Ultimately, decisive were the hard facts on the ground that he enjoyed pulling out of his hat. He never tired from emphasizing that they indicated the increase in import and trade tariffs had favourable economic results for nearly all participating countries. Thus it was high time for the Netherlands to definitively reject her absolute faith in free trade as this was already the case everywhere in Western

countries. Whenever economists warn against the negative results of trade restrictions, he lectured in the Chamber, “then I must say that I have read it all and that I admire all those theories, but at the end I attach greater weight to experience.” For him, more important than the factual objections were the basic views on life. Faith in free trade was for him a product of the classic school that was at home in a sinful cosmopolitan atmosphere. Was free trade not hostile to God’s holy ordinance because it sought to do away with worldwide multiculturalism and equality that the Creator had in view?

### **The Ideal of a Calvinist Economy**

At the end of his life Kuyper called the economy the new magic word or mantra. If he were not mistaken, the twentieth century would be known as the century of the economy. The science of economy and economic literature were about to capture the hearts of people if that had not yet happened. Only the economic motif still counted within and outside of politics. Exchange, production and capitalism formed the new trinity, but that did not persuade Calvinists from swearing off the economy. Humanity had an economic calling ever since Paradise that Calvinism emphasized. However, economists and their discipline did have to know their place, something that left Kuyper restless in the century of economics.

That Kuyper was not averse to economics is clear from the fact that he frequently “theologized” about it. For example, his books *Gemeene Gratie* and *Pro Rege* contained discussions that would not be out of place in economic textbooks. But if possible, he preferred to leave that task to others. In 1880, in his famous lecture *Souvereiniteit in Eigen Kring*<sup>8</sup> he expressed his happiness that the Gereformeerden now had their own juridical faculty at the Vrije Universiteit. There resistance could be developed against the “reigning school of economics...and the predatory nature of social relationships.” A decade later, at the opening of the Social Congress, he had to admit to his chagrin that not much had come of it. Other than the socialists, “we still do not even have one professional economist; none have appeared at this Congress.”

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<sup>8</sup> You can find the following note about the English translation on the Kuyperiana page of this website: “Sphere Sovereignty,” in James D. Bratt (ed.), *Abraham Kuyper: A Centennial Reader*. Grand Rapids: Eerdmans, 1998, pp. 461-490. An alternative translation by Harry der Nederlander, with the assistance of Gordon Spykman, will in due time be available in the Jan Boer archives slated to be deposited at Heritage Hall, Calvin University, Grand Rapids MI, USA, where my son Wiebe is the President.

At the time Kuyper was writing his series of articles about his magic word the economy, his ideal of a Calvinist economics finally found form. The discipline of economics had been neglected too long at the VU, but fortunately professor P. A. Diepenhorst was now restlessly occupied in catching up. He received his doctorate in 1904 on basis of his dissertation, *Calvijn en de economie*. In that same year, he also delivered his inaugural lecture, in which he brutally attacked classic economics. Kuyper, all the while nodding his head, took it all in. During the years 1904-1905, De Vries, one of Kuyper's most faithful students, published *Beginselen der staathuiskunde*<sup>9</sup> while Diepenhorst's juridical colleague, D. P. D. Fabius, came up with *Sociale vraagstukken*.<sup>10</sup> Thus, at the beginning of the twentieth century there was no lack of a Calvinist voice.

The jurist-economists at the VU stood fully aware in the tradition of Kuyper and Groen van Prinsterer. The latter once referred to economics as "an undervalued discipline" that should especially not lose itself in exclusively material deliberations. Kuyper agreed with the above and stated repeatedly that the economic discipline must not lack an "ethical dimension." Economists must pay attention to revelation and divine ordinances as well as to humans as social, ethical and historically determined beings. It was a major worry that under the influence of the magic term economics, the psychological was supplanted by the physical. Though in Calvinism the spiritual and the material could never be separated, the first received the priority. The challenge to economists in short was to take into account spiritual factors and not to declare them invalid. "Only, the economy with all its scholarship regarding what is visible, material and sensual, may not be more nor something else than the ground floor of the holy temple of scholarship. Above is the higher and the holier.

When it comes down to it, Kuyper was more of a theologian than an economist.

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<sup>9</sup> Translation: *Principles of Economics*.

<sup>10</sup> Translation: *Social Issues*.