

Dinner speech, given by Dr. George Harinck on March, 21, 2003 in the Faculty Room of the Mackay Campus Center, Princeton Theological Seminary, on the occasion of the Second Kuyper Consultation, on “Theology and Economic Life: Exploring Hidden Links.”

Ladies and gentlemen,

The first problem we have to face with links between Abraham Kuyper and the economy, is that in Kuyper's days no newspaper wrote about such a thing as 'the economy', nor was there an academic discipline called economics. Economic topics existed of course, but they were parts of other issues in various circles: in academia they were part of the study of law and in parliament it was an undefined aspect of debates on finance, trade, and industry. In the days when Kuyper's Free University was founded, each of the four Dutch state universities employed one professor of 'Political Economy', but they were all doctor of Law and belonged to the faculty of Law. In Kuyper's political program, published in 1879, attention was paid to economy-related subjects like the budget, public finance, and social issues, but no attention was paid to the economy as such. And in his famous 1891 lecture on 'The Social Issue and Christian Religion' at the first christian Social Congress, held in Amsterdam, he deplored the want of political economists in the antirevolutionary movement. It prevented Kuyper to herald a christian social-economic declaration like Karl Marx universal *Communist Manifesto* (1848) or the impressive 1891 Erfurt program of the German Social Democratic Party. The only thing he could do was to discuss a rather unpretending issue: what is our responsibility as Christians, facing the social issues of our time? In 1904, at a time when Kuypers political career was almost over, the first professor of Law at the Free University to teach Political Economy was appointed. The first Dutch School of

Economics started in 1913. The Dutch government created an Economic Department in 1933, and the faculty of Economics at the Free University was founded as late as 1948. In short, it seems rather presumptuous to link Kuyper to the topic of our consultation: economy was a non-issue in Dutch intellectual and political debate before the First World War and the antirevolutionary movement had no opinions on the subject.

If we do want to talk about Kuyper and economics, we have to take a somewhat different view on our topic. Though Kuyper hardly ever talked about economy in the strict sense of the word, he certainly influenced Dutch economy and economic thinking. One way to approach our topic is by leaving behind the hard economic science, with its production figures, laws of supply and demand, and gross national product, and concentrate instead on what is called Institutional Economy. Institutional Economy deals with the rules, laws and customs that facilitate economic intercourse. It deals with questions like: where do these institutions originate, and how do they influence the structure of economic incentives? Douglas North, one of the leading theorists in this field, defines the basic economic problem to be solved as: how can economic cooperation between individuals be realised? He is interested in formal and informal institutions that ensure different parties in the market to make their transactions. And how do these institutions, these rules of the game, change over time? It is clear that the state, as the organisation that creates the legal frame for the market, plays a substantial role in this process of change. In terms of Institutional Economy politics can be seen as the game that deals with rules of the economy. This game is defined and restricted by the constitution. So much is clear that in Institutional Economy economics and politics, and society and state are tightly linked. The state is no longer seen as an independent body, a formulator of rules under which economic activity was to be carried out; as a referee and as a provider of infrastructure. No, the state itself is analyzed in economic terms and the state is part of the economic structure, part of the market. The state is the first layer of the institutional frame of the economy, as collective action by groups is the second layer.

When the Netherlands started to industrialize in the 1860s and 70s, this was enabled to a large degree by the liberalisation of economic life in the half century before. During the last phase of the Dutch Republic till 1795 the economy had been in a stationary state. The political and intellectual change enforced by the French occupation at about 1800 and the ensuing transformation of a decentralized state and a corporate society into a centralized state demolishing the corporate society in the next five decades, facilitated a period of economic growth, which lasted till the First World War. This structural change included public investments in the infrastructure, the integration of national and international markets by degrading tariff barriers, the rise of a railway network coordinated by the state, and the introduction of new technologies like the telegraph and the steam engine, and in general a deregulation of economic life. In the 1860s, a general economic growth started within this new 'institutional' context. It was characterized by a strong expansion of the domestic market, and a rationalisation of economic relations by the rise of big industries. This new dynamic went along with the mobilisation of the proletariat in a large factories and with the commodification of labour. And it was here that the counterforces presented themselves.

After this economic interlude, now back to Kuyper. The process of economic liberalisation had everything to do with the domination of the liberals in politics since the 1840s. The new constitution of 1848 had been written by liberals. It was no longer religion, but reason that set the fashion. The godly origins of the state were denied, and the public religion was an enlightened Christianity. The only persons who got the right to vote, were those who had proven to be reasonable, either by education or by wealth. The new constitution formed the basis for a uniform liberal society. Confessional differences had been overcome by the liberals, so no catholic or reformed schools were funded by the liberal government, churches adoring the virgin Mary or preaching the total depravity of man were considered uncivilized and not accepted in the public realm.

The result was, that large segments of the Dutch people had no entrance to the public realm. In the days before Kuyper, Christians had protested against this situation. What they aimed at was a conversion of the liberal domination into a society dominated by Christianity.

From his early days as a journalist on, Kuyper tackled these excluding deficiencies in the liberal worldview. His general complaint regarded the uniformity, unification, and centralisation of society as the gloomy effect of liberal ideology. Dutch society was forced into a constructed, liberal framework. This oppressive effect of liberalism was not restricted to the domain of ideology. Architectural style, gender differences, even differences in dress and languages, everything, Kuyper said, 'has to be equalized and levelled; all diversity must be whittled down'.

The Dutch economy too was overlaid by this 'web of uniformity', as he described in 1869:

'An iron steam engine is eliminating the rich diversity that used to confer on every enterprise its own charm, on every branch of industry its own character. (...)

In all this what you see is the disappearance of the human personality. It is finally machines, not people, that you see in motion. (...) If the iron train not only unites people with people but prompts the peoples to abandon their own unique character, if the rails do not facilitate the lively exchange of our own thoughts but have to serve the monotonous exchange of standardized ideas, then the soul of a people is lost.'

Though Kuyper's analysis was not unlike the socialist's diagnosis – 'in formal social program Fourier and St. Simon often stand close to the prophet of Nazareth', he said - his solution was different. To the socialists the main defect of liberal society was its individualism. They pleaded for an equal distribution of power and goods. But Kuyper's main problem with the liberals was their rejection of the organic order in society. His

social-economic program started with the first article of the apostolic creed: I believe in God Almighty, the Creator of heaven and of earth. He asked for respect for the creational order of society and its differentiated historic development. In his opinion 'religion alone can stand for life against the death of uniformity.' He rejected the freedom of liberalism as 'a free reign for every whim', and pleaded for a 'moral freedom that does not disrupt, that offers and guarantees justice so that we may without fear consecrate heart, head and hand to what is good and beautiful, noble and just'. This freedom was best preserved in countries like Switzerland, Holland, England and the United States, where calvinism had promoted and safeguarded it.

Our question now is: how did this opinion effect Dutch economy?

At the time Kuyper raised his voice Dutch society was confronted with three major issues: the cry for equal rights for Christian schools, the cry for the extension of the franchise and the cry for social legislation. These three wants - education, franchise and social legislation - were the immediate result of the expanding economy. The population figure of 1869 doubled in fifty years to 6 million, as did prosperity and the educational level. This acceleration meant that the social issue in Kuyper's days was not just about poverty or bad labour and living conditions, but also, or even in the first place, about the integration of the new participants in the existing socio-economic system.

The liberals had no answer to this social issue. Kuyper acknowledged their politics as 'an economic regime of material well-being', but at about 1870 there was nothing left but a mighty state and a small part of the individual civilians, legitimizing this structure with their vote. His verdict was that the French revolutionary reforms and the liberal politics had demolished the corporate structure of Dutch society: 'Have not all independent institutions, whose sovereignty in their own sphere made them a base for resistance, yielded to the magic formula of the single, unitary state? (...) is the individual freer now or rather defenseless and helpless when faced with the all-devouring super-corporation of the State?'

In order to alter the political system Kuyper started to mobilize those who sought entry to the socio-political system. He did this by means of what economists call neo-corporative organizations. Along this way he founded his Anti-Revolutionary Party, his Christian School League, his Association for Higher Education on Reformed Foundations, and his Association for Free Management of Church Properties to press the reigning elite in church and state to organize the integration of new participants in the public domain.

Of course Kuyper was charged with the reproach that he wanted to turn the clock back to the 1800s. But Kuyper was not a contra-revolutionary, he was an anti-revolutionary: 'We Dutch Calvinists want to be like Edmund Burke: *for* freedom but *against* the total overturning of all natural order. (...) we do *not* want a restoration of the state church (...) we do not want the old privileges back (...) we do not want the unity of the state to be broken (...) No, what we want is equal rights for all, whatever their situation or religion.' So, Kuyper was not after a uniform Christian nation instead of a uniform liberal one, as his predecessor Groen van Prinsterer had aimed for. He broke with the idea of national uniformity as organizing principle, and chose for a pluralistic society. The choice for this principle was very influential and defined the Dutch socio-economic structure till far into the 20th century.

The effects of this choice became clear gradually. As a matter of fact, the victory over liberal oppression started in 1867 in the Dutch Reformed Church, when the congregations got the right to vote their consistories. The orthodox gained influence rapidly. Even a small natural extension of the franchise in political elections of the 1880s had the effect of changing the parliament from a moderate club of gentlemen mediating on reasonable grounds into an arena of hot debate between opposite religious or ideology-based opinions. The liberal clergy and the liberal political elite shivered, but the national church and national politics had to adapt to the new circumstances. In the church the integration of the people in the existing structure failed and led to a schism in 1886.

But in politics the way of graduality led to results: in 1887 the political franchise was extended by a constitutional change, and already the next elections became a big victory for Kuyper and his political party. This made it possible to settle the school issue in 1889: christian and public schools became equal for the law. The school and franchise issues had been *shibboleths* for the opposition, but now the contours of a new socio-political structure became visible, the debate on social legislation was open.

The economic aspects of Kuyper's politics are not really obvious, because the national government did hardly interfere in the life of society in his days. A lot changed after 1870, but not the *laissez faire* politics in social and economic issues. Economic measures were handed over to the lower strata of the government, to the provinces and mainly to the city councils, who almost doubled their spending on public works, education, and social services between 1890 and 1901.

But this does not mean that Kuyper's general ideas on economic topics were without effect. The involved parties were unable to realize general proper working conditions and financial safety for the weakest economic groups, and the organizations of employers and employees had no proper entrance yet to the socio-political structure. This meant politics had to take the initiative. And here Kuyper proved to offer to most effective solutions. According to his idea of sphere sovereignty Kuyper preferably gave priority to the corporations in society to solve socio-economic issues, but 'as soon as there is any clash among the different spheres of life, where one sphere trespasses on or violates the domain which by divine ordinance belongs to the other, then it is God-given duty of government to uphold justice before arbitrariness, and to withstand, by the justice of God, the physical superiority of the stronger.' In general, government should help the different spheres to obtain justice. But in order to uphold the natural resilience of the spheres, the 'material assistance of the state should be confined to a minimum'.

All political parties in general agreed upon the right of the government to interfere in society.

The political debate was on the arrangement and the financial risk of social legislation, and on the groups it concerned. The interesting result of recent research is, that Kuyper's opinions on each aspect were accepted and formed the basis for Dutch social legislation until the 1950s.

As to the *arrangements*, Kuyper pleaded for self governing organizations to administer the law. He opposed strongly to the monopoly given to the State Insurance Bank in the first draft of the social insurance legislation of 1898 and with help of captains of industry, he succeeded in changing the draft and allowing private banks to compete.

As to the *finances*, the social-democrats pleaded for a state financed system, while Kuyper chose for a system based on insurance, because this activated the responsibility of the wage-worker to contribute financially to their own welfare and restricted the role of the state. He preferred voluntary insurance, but for the sake of the urgent need of the legislation and the financial solidity of the system he accepted an obligatory structure.

Concerning the *groups* selected, social legislation was restricted to the weakest groups among the wage-workers. Other employees, farmers, shop-keepers, and all sorts of employers were not protected by law in Kuyper's days: either they were considered to be strong enough to defend their own rights, or legislation for these different groups was too complicated. According to these premises, in 1874 legislation on child labour passed (Kuyper belonged to the minority opposing legislation, because the law violated the right of parents), in 1889 a law on labour passed, protecting the rights of children, adolescents, and women, and in 1898 parliament voted for the first social insurance legislation for wage workers.

Ladies and gentleman, my aim was to show you the key position of Abraham Kuyper in the transformation from the stationary economy of the 18th century into the modern welfare state economy of the Netherlands in the 20th century. Seen from the point of view of the Institutional Economy, the main issue was how to integrate the expanding economy, and the demands of the people that were the result of it, into the existing socio-political system. Abraham Kuyper was the politician that overcame the

deficiencies of liberalism more successful than others, for example the social democrats, by proposing an alternative system, taking his starting point in the organic pluriformity of society, and making the public domain accessible to all. His ideas on social-economic legislation fitted like hand in glove to the developing modern economy of the Netherlands. It is Kuyper who taught the Dutch that the public domain should not be liberal, or christian, or socialist, but that the public domain should be open to all of society, irrespective of class, race, or religion. Keep in mind that this Reformed politician and ideologist was the key figure in one of the major transitions in Dutch institutional economy.

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