

The evolution of capitalism

BY MAURIZIO STEFANINI

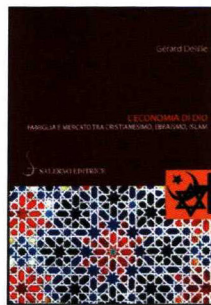
What are the origins of capitalism? And where is it going? In his 1843 essay *On the Jewish Question* Karl Marx claimed that both the Jewish and capitalist mentalities were “egoistic.” In Werner Sombart’s 1911 work *The Jews and Modern Capitalism*, he tried to document the Jewish involvement in historic capitalist development, arguing that Jewish traders and manufacturers, excluded from the guilds, developed a distinctive antipathy to the fundamentals of medieval commerce, which were based on the desire for a “just” economy, with fixed wages and prices. Excluded from this system, the Jews would break it up and replace it with modern capitalism, in which competition was unlimited and pleasing the customer was the only law. Sombart also believed in a connection between the “calculating” and “rationalist” attitude of the Jews and the spirit of capitalism, and that the Jews themselves were instrumental in introducing into Western Europe new financial techniques invented by the Byzantines or the Arabs. But in 1905, Max Weber’s *The Protestant Ethic and the Spirit of Capitalism* argued that Puritan ethics and ideas influenced the development of capitalism. In particular, there was the doctrine of double predestination, in which it was believed that from the beginning God chose some people for salvation and others for damnation. Because of the absence of assurances of salvation from any religious authority, Protestants began to look for other “signs” that they were saved, finding them in the economic success. In the 1920 second edition of the book, Weber responded to Sombart’s objections to his thesis by arguing that the capitalism created by the Jewish people was just a “pariah capitalism” originated by their segregation and negative status in the eyes of the surrounding societies: profit-making activities based

on money-lending and politics, but not those of an industrial nature.

In recent decades there has been the spread in Latin America of both Pentecostalism and the “informal capitalism” described by Hernando de Soto in his 1986 book *The Other Path: The Invisible Revolution in the Third World*, which would seem to confirm the Weberian theories. On the other hand, the capitalist revolutions in Eastern Asia seemed to contradict Weber’s arguments that Asian religious traditions and capitalism were incompatible. Recently, scholars such as Paolo Prodi and Giacomo Todeschini have rekindled the debates of Catholic theologians about usury, “productive” capital, just price, common good and common weal, and the moral implications of the economic transactions contributed to giving an ethical and regulatory frame to the market.

In the 1990s there was the neo-American versus Rhine capitalism debate. The current debate takes place in a context in which we see the coexistence of a Western model of financial capitalism, a Chinese model of “socialist” capitalism and a Brazilian model of “transition capitalism.” With the economic crisis came a call for more government regulation over the financial industry, but as soon as the US, which is the champion of deregulated “finance capitalism,” started to recover and the Europe plunged into a double-dip recession compounded by austerity hawks, the debate was rekindled.

With usura



L'economia di Dio. Famiglia e mercato tra Cristianesimo, Ebraismo, Islam by Gérard Delille
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Gérard Delille is a French historian, former director of studies for Modern and Contemporary History at the École Française of Rome, director of research at CNRS, director of studies and professor at the Istituto Universitario Europeo di Firenze. He is so familiar with Italian culture that he wrote this book directly in Italian. *The Economics of God: Family and market in Christianity, Judaism, Islam* would be the English title. Delille redefines Weber and Sombart’s analysis about the relation between religion and economy, considering the way in which the three monotheistic religions determined and regulated filiation, kinship and alliance. In ancient times, he explains, there was no market. The state both hoarded and redistributed goods to be used by powerful families to build patrimonies that these families themselves tried then to hold and treasure, blocking circulation and maintaining it outside a hypothetical free market of land and goods. In Islamic societies, maintaining an endogamic model of kinship, with many marriages between uncles and nieces or between cousins, also maintained this “ancient” model, based on the bipolarity of state-family. Jews had no state but they had their own endogamic tradition, which was used for building long-range trade networks. But in the West, the Catholic Church imposed an exogamic model in order to favor the passage of goods to the ecclesiastic assets. Among the results were more importance given to women in the transmission of the wealth, accelerating the circulation of goods and building great networks of wealth and capital.