

# Werner Elert's chapter on Economics in his book The Christian Ethos. (Part 1)

Colleagues,

Shortly before Christmas 2008 I passed on to you some economic analysis from my teacher Werner Elert (ThTh#548). Though written in the 1930s, it sounded like he was talking about us today. If you want to review it, GO to <https://crossings.org/thursday/2008/thur121108.shtml>

In Elert's textbook on Christian ethics, THE CHRISTIAN ETHOS (original German edition 1949), he has a section on economics too. [Elert's book was translated into English many years ago, but not too well, and that (limping) translation was reprinted recently by Wipf & Stock.] Marie and I have tried our hand to retranslate that economics section. It's a tad long, so we'll post it in two pieces—first half today, second half next Thursday.

Does it offer any help in getting a handle on today's Wall Street? Or the crude oil bubbling into the Gulf of Mexico? For the latter Tom Friedman's op-ed in the NYT (June 11, 2010) comes close. <http://www.nytimes.com/2010/06/13/opinion/13friedman.html>

He doesn't draw on Elert (no surprise) but on an ancient Pogo-ism: "We have met the enemy—and he is us." The "demonization of the economic order" that Elert discusses (in the second half coming next week) is what Friedman's talking about. It is, of course, not good news. [Nor, sadly, is Friedman's proposed solution for coping with the enemy, since Friedman thinks the enemy is "only" us.]

Nevertheless, because there IS Good News being “done on earth, as it is in heaven”—see Mark 1:15, for instance—there continue to be grounds for saying:

Peace and joy!

Ed Schroeder

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## **Werner Elert: The Christian Ethos**

### **Chapter 3. THE NATURAL ORDERS**

#### **Unit 19 Economic Interdependence**

[Elert’s long German word translated “interdependence” above is one even-longer German word: “Auf-ein-an-der-an-ge-wie-sen-sein.” [9 syllables, 25 letters! No hyphens in the German word, of course. We put them in just in case you want to try to pronounce it!] It signals not just interdependence, but “needing each other.” In the economic order we “need” connections, linkages, to other people. We will use the word “interdependence” for that big word. So remember the larger meaning when you see it.]

1. **Property and Ownership** By virtue of God’s creative and governing action there is a “Seinsgefüge” [Another of Elert’s technical terms. For our very “being” (= Sein), that is, in order for us to exist at all, God has placed us into his creation within a number of webs, networks, (= Gefüge) linking us to the rest of God’s creation], a de facto network, enmeshing us not only to other people, but also to places and things in creation. Economic interdependence is one of those networks, a “natural order,” a “given,” in which persons and things are linked to each other in a similar way, for example, as is a parent to a child or a citizen to the government. Even

without the Biblical word from the creator, Genesis 1:28f., which transfers to humankind the "dominium mundi" ["dominion over" things in the world] and directs humans to other creatures for their own sustenance, it is clear that to sustain our own physical life we need things and that this "dominion" over the things we need constitutes a fact of life ordained by God the world's creator and governor. Ordained by God, this economic interdependence is an "order" in God's creation.

This natural fact of life, so it seems, is presupposed in the seventh commandment of the decalogue, just as an already existing parent-child relationship is presupposed by the fourth commandment and marriage relationships already existing are presupposed by the sixth. "Dominium" is the term in Roman law for ownership, which gives unrestricted rights over a tangible object to the owner. "Thou shalt not steal" then means: You shall not destroy the "Seinsgefüge," the already operative connections, that exist between another human being and the goods that are naturally linked to him. Would that then mean that the essence of the seventh commandment is "protection of private property"? Some people have said so in the past.

However, such canonization of private property has several flaws. First of all, the ownership of things, when it is conferred to us by God, is not at all without limits, neither conceptually nor as a matter of fact. For since we are responsible to God for everything in our lives, we are also responsible to God for the things we own, things we have received from God.

Secondly, this "dominium mundi" from the creator has been granted to the entire human community. In Genesis this is indeed initially only two persons. But when this community expands, that does not mean that they are to divide up

this communal “dominion” into individual segments of private ownership. The seventh commandment also applies to a collective or communal structure of ownership. In that case “Thou shalt not steal” would mean “You shall not appropriate for private use what belongs to all.” Some have understood this to mean that private ownership in any form is stealing from others. But the last two commandments speak against such an understanding of the seventh. For these final two commandments patently presuppose private property. In these two a technical term appears, which from a different direction finally makes the seventh fully clear: You shall not covet what belongs to your NEIGHBOR.

And that is the third point that challenges such a notion: property (ownership) is theoretically unrestricted ownership of an object, but never de facto. In order to be unlimited master over anything—even if it were just one thing—we would have to enjoy unlimited freedom. But we do not, by virtue not only of our relationship to God, but also our relationship to the neighbor. Regardless of what we may be, we are what we are only and always in relationships, always networked into God’s orders where others are also linked.

We can exercise our proprietary rights over things only within the existing orders [= the relationships, the spaces and places, where God has “ordained” that we live out our lives] of family, marriage, nationhood, and state. The civil laws of modern states for the most part protect all private property under the rubric of the Roman legal notion of property. But even with that, it is acknowledged that we can exercise our supposedly unlimited property rights only within existing structures, namely, within the order of the government we live under.

If we ask, then, about God's evaluation of all this, we can only find that within the other orders. A father, for example, although legally he has unlimited right over his own property, cannot forget that he has a son. A husband cannot forget that he has a wife, even if they do not live in communal property ownership. Should someone, for example, wish to exercise his property rights over a herd of cattle by simply destroying them without making them useful for anyone, in so doing he is also destroying the goods of an entire community, even when this community can raise no legally grounded objections.

Therefore when we understand our ownership rights over things as natural law (*jus naturale*) granted by God, precisely there we encounter its limitations. This *jus naturale* is valid even in situations where the legal order of a given state, for example, a communist one, would not acknowledge any individual rights of ownership at all. In that case, it is also limited by human law (*jure humano*). However, factually it is also limited in the legal order of a state where civil law grants unlimited rights. For even here it is subject to conditions of debts to be paid, family obligations, and inheritance laws. Most of all, in advanced legal systems that distinguish between consumer goods and production goods, consumer goods only serve individual need. Production goods by contrast go beyond that and are necessary for the livelihood of others. When the state authority applies this distinction, even when the state has not simply taken it over, but nevertheless guards it, we see that private property is always also a communal order where no property rights are granted that undermine the welfare of others or of the people as a whole.

**2. Work and Wages** The seventh commandment as well as the last

two of the ten do not protect private property. They protect the neighbor. The seventh restrains the wicked hand, the last two the wicked heart, from sinning against the conditions of their own physical existence. When these commandments turn our attention to the neighbor, they release us from thinking about ourselves. They release us also from things, or they at least teach us to view things, physical goods, always through the eyes of the neighbor. Wherever Christ's "new commandment" ("love one another," and not merely "love the neighbor") regulates all interhuman relationships, this kind of instruction is, of course, not necessary. (See section 10:2 above.) [Later in the book—"Ethos under grace"—comes a full-scale discussion of the "newness" of Christ's new commandment. Economic interdependence comes under the rubric "Ethos under law."] But that makes it all the more necessary for human life under the law, namely, God's law to preserve the creation and God's law of equitable recompense, rewards and punishments for human actions (section 8 above). Indeed, here we are once more reminded of a "natural order." But that order does not consist in everyone having things of their own, which is not always the case, nor that all things belong to everyone in common, which also is not the case. Rather it is that when we deal with the material things of the world we are linked to one another. No one can enjoy the most elemental of all consumer goods, a piece of bread, if we live together like crows who from mistrust seek to pluck out each others' eyes.

The owner of a mine, whether as private property or as a collective, would have nothing of his underground treasure if the mine worker didn't bring it to the surface. Nor would the worker have anything if the engineer hadn't built the machines. Nor would the engineer have anything

without the inventor who would not keep his secret to himself, because the mine owner with the help of patent law guaranteed him an extraordinary reward. This economic interdependence is therefore a “Seinsgefüge” where one member is linked to another. It is a fact of life that is preexistent to economic activity, just as the state is a “fact of life” preexisting all political activity. But it is at the same time an operational network that is “in order” only so long as no member falls out but every interlocking cog works together with all the others.

Such economic interdependence with all working together in meaningful activity we call work. When we understand work that way, it too comes under the rubric of the law of preservation and the law of equitable recompense where recompense enacts the law of reward and punishment (section 8:3 above). By contrast, the farmer in Gustav Frenssen’s novel who spent his time tossing silver dollars one by one into the village pond was indeed doing something, but not meaningful activity, and thus it was not work.

Safeguarding a rightful wage for everyone who works becomes one of the most important tasks of the state. It is part of the state’s executive power to promote “justitia commutativa” (section 16:2 above), that people receive fair recompense for their work. But what then is a “fair wage?” Work is meaningful only if it takes place within and in keeping with the order of mutual interdependence. This order serves to preserve the physical life of all. Therefore anyone doing meaningful work has a claim that from his wages his daily physical needs are secure. Notice: secure!

The economic scene in daily life fluctuates like the

mercury in a barometer—high and low and in the middle ranges unstable. According to the law, as Joseph already perceived in Egypt, after seven fat years come seven lean ones, and in place of meaningful work for everyone there come times of unemployment for many.

Whether one operates as did Joseph in Egypt, anticipating the coming barometric low by storing grain for all, or whether during the fat years all workers receive more than is needed for their daily needs and can save for the rainy day on their own, in any case all advance preparation for that time acknowledges the order of economic interdependence. Material goods at our disposal that go beyond what we need for daily life we call “property.” Juridically viewed, goods for daily needs are also property. A wage is therefore “fair” only if it vouchsafes the worker enough “property” beyond daily needs that he is safe also in the time of need. Whether that property, those possessions, are in a bank account or in some real estate, or in a rightful claim on a pension for the time when he cannot work (unemployed, disabled, or simply old age)—none of that makes a significant difference.

In the order of economic interdependence possessions fulfill additional functions. For they can also be squandered or wasted. Therefore according to the law of equitable recompense (receiving what you have coming to you), having possessions at all can be a reward for practicing thrift. According to that law property rewards may be greater or smaller. With indolent work it remains small, by industrious work it can grow. Having a “little place out in the country” serves only the one who owns it, but a farmer supplies the needs of many from the land he owns. In the economic interdependence order, where we all exist, it is not that everyone is dependent on everybody,



but often many are dependent on one individual. And this individual may often be one who doesn't actually "do" much all day, but sits and thinks, and in this way brings as much benefit to a great number of people as do a thousand others all together.

To achieve such an advantage, whether imagined or de facto, is the desire of everyone who rightfully believes that effort expended will bring reward either for themselves or their offspring. In this case we see that because of greater reward, achievements of greater significance also exercise greater attraction. In the end possessions beyond daily needs are there so that one person need not become another person's unnecessary burden in times of need. And conversely for those with possessions beyond daily needs, they are able to help others who suffer through no fault of their own in such times.

[Final half coming next week:

3. The Godliness of the Economic Order and its Vulnerability
4. Economic Order in the New Testament – "Apostolic Economics"]