

TILLICH'S VIEW ON THE DEVELOPMENT OF CAPITALISM (Part 1)

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ABSTRACT

Driven by his method of correlation, Paul Tillich critically analyzes the social condition of modern society which is characterized by the growing hegemony of capitalism. Capitalism is viewed not simply as a certain economic arrangement of society but as the embodiment of the religion of reason, namely, the historical project of humanity to realize its utopian goals and longings by the power of science and technology alone. However, by forgetting the awareness of the inherent finitude of reason cultivated by a genuine religious consciousness, mankind is threatened to lose sight of the demonic dimension built-in

structurally in the capitalist mode of wealth creation.

Key Words:

•*Bourgeois Revolution* •*Competition* •*Free Market* •*Hedonistic Drive* •*Invisible Hand of God* •*Kingdom of Ends* •*Profit Maximization* •*Religion of Reason - Technical Rationality* •*Utopian Reason* •*Vice and Virtue*.

1. Introduction

According to Tillich, the cultural project of the modern era that has been relentlessly pursued for the last five hundred years is the complete control and mastery of nature and society by human reason. The carrier and executor of this cultural project is the capitalist or bourgeois society: "Man controlling nature and society was the ideal born in the humanistic theory of the Renaissance, ripened under the patronage of enlightened authoritarianism, and brought to fulfillment through the bourgeois revolutions."¹ Capitalist culture is characterized by the immense scientific transformation and economic management of the whole dimension of reality. The realm of nature, both inside and outside us, is primarily considered as just raw inputs to be scientifically changed into economically more valuable outputs for the sake of the limitless accumulation of capital. Nature is controllable. Individuals and society too are basically calculable because people are conceived as being driven by a common rational actions and expectations, that is by the endless desire to improve their material condition. All of them could be continuously altered and arranged rationally in order to increase the effectiveness of the common pursuit of human well-being. In other words, the spirit animating the capitalist culture is the drive for technical rationality and for

the maximization of profit. Quite early Tillich has anticipated the inevitable global expansion and dominion of the capitalist spirit throughout the world by saying: "Wherever technology and capital are at work, the spirit of Western bourgeois society is active."²

2. The Progressive Development of Capitalism

In this section, we shall explain Tillich's conception about the progressive development of capitalism. The inner driving force of the capitalist culture is the firm belief in the capacity of human autonomous reason in finding an adequate solution for the various problems encountered by every human being throughout his life. Therefore, Tillich would give a special attention toward the changing role of reason in the various developments of capitalism. He surveyed the historical development of the capitalist culture in the Western world over the last three centuries, since the rise of the industrial revolution in the middle of the eighteenth century up to the Second World War in the twentieth, Tillich thinks that it could be divided into *three* distinguishable and yet overlapping periods: *the period of bourgeois revolution* where capitalism struggles vehemently against feudalism; the period of *the victorious bourgeoisie* that eventually leads toward the formation of monopolistic capitalism; and finally the period of the crisis of monopolistic capitalism, resulting in the birth of the *state-regulated capitalism*.³ We shall follow Tillich's general outline about those three consecutive periods of capitalism.

According to Tillich, *the first period of capitalism* is marked by the great industrial and political revolutions in Western Europe and America that changed almost completely the economic and social structure of the Western society from its preceding period. That is the reason why Tillich calls this first period as *the period of bourgeois revolution*. Sociologically, the bourgeois revolution is the radical transformation of society from the

feudal heteronomous order into the capitalist autonomous order. The feudal order, the ancient regime, is the vertical arrangement of society. It is a society that is characterized by the secular and ecclesiastical hierarchy, conceived as being eternally valid both in heaven and on earth. All rights and might are concentrated at the top of the hierarchy, ultimately in God the almighty but visibly represented by the monarch of the nation. From the monarch, rights and might selectively flow down through the first and the second estates, that is, through the clergy and the nobility, toward the ordinary people on the street. One's fixed and definite place in this vertical order is due not to one's own personal effort but to the transcendent destiny, that is, to the will of God. In contrast to that social arrangement, the bourgeois revolution is the radical transformation of this vertical order into the horizontal order of society: "This vertical orientation of the totality of life in the Middle Ages stands in direct opposition to the horizontal outline of the bourgeois society of the Enlightenment."⁴ In the bourgeois horizontal order, all rights and might originated not from the top of the society but conversely from its bottom: from the rights of the individual and the sovereignty of the people. The government obtains its power and authority due to the democratic consent of the people governed. This horizontalization of power and dignity is expressed evocatively in the provocative slogan of the French Revolution: liberty, equality, and fraternity. One's place in the social stratification is then no longer determined by the invisible fate but by one's own visible social achievement. Hence, the bourgeois society increasingly becomes an open, meritocratic and competitive society in which one continuously tries to surpass one's present social station. The guiding principle behind this radical transformation that shakes the cultural foundation of Western society, in Tillich's view, is the unconditional belief in the power of reason:

Behind all this, the driving power was ultimate concern, existential passion. Reason, in the name of which all this was done, was understood as the universal structure of mind and reality, as the divine *logos*. God

became reason to the theologian, and reason became God to the revolutionary.⁵

The bourgeois revolution arises out of the religion of reason, out of the devotion toward the goddess of reason celebrated triumphantly by the Enlightenment philosophers during the French Revolution. Reason is conceived as the universal structure of reality. It means that there is a fundamental harmony between man's subjective rationality and the objective rationality governing the world, the natural order that regulates all dimensions of reality. In other words, man lives in a perfectly rational universe. Hegel, for example, formulates this confident vision about the principal identity between thinking and being by stating that "reason is real and reality is rational."⁶ Regularly and methodically, reason would be able to discover truths in all realms of reality, perceiving and pursuing the complex webs of their interconnection, and then eventually motivating human beings to act in accordance with the right conclusion of the truth perceived. This harmonious operation of reason is greatly distorted by religious superstition and social authoritarianism, which tightly constrains human beings to the reign of irrational fear, error and ignorance. The fundamental exercise of reason, therefore, is critical. It struggles against the repressive power of absolutism for the sake of affirming the individual dignity of human beings and his personal autonomy in thinking and doing: "Reason was the very principle of humanity that gives man dignity and liberates him from the slavery of religious and political absolutism."⁷ The social and political order has to be reconstructed all over again in order to correspond more adequately to the demand of the objective rational law discovered by human autonomous reason.

The critical struggle of reason against any form of authoritarianism is followed by its constructive struggle to shape nature and society according to the demand of a better social and political order worthy of human

beings. Reason became revolutionary reason: "Thus reason in the eighteenth century was revolutionary reason. It was not interested in describing what is merely because it is, but because it supplies materials for the reconstruction of society in conformity to what is natural and reasonable."⁸ Revolutionary reason is not positivistic, simply collecting facts and analyzing data, but it is critical and creative at the same time. It is very much preoccupied with conceiving social ends beyond the existing order; committing itself to transform the status quo on the basis of the highest and noblest notions that express the newly perceived human dignity, i.e., the basic notions of freedom, equality, and brotherhood. Hence, for the Enlightenment philosophers, reason is more than just technical reason, which is the ability to transform the scientific cause-effect relationship into a utilitarian means-end relation in order to accomplish one's desired purpose. Supported by scientific knowledge, man's ability to consciously manipulate causes for achieving desired effects is indeed greatly improved.

For the Enlightenment philosophers, however, reason does not simply follow the lead of whatever desires or advantages we happen to have. It is the creative power to intuit and to formulate objective rational law for regulating our passion and action so that the proper equilibrium between what is good for the individual and what is good for society is well protected. Harmony between individual interest and the common good is supposed to come about through the sphere of rational laws discovered and formulated by human reason alone. In other words, man's utilitarian disposition for pursuing his personal purpose is counterbalanced by his deontological awareness, namely the consciousness of his personal duty towards norms and values that judge his action. According to Tillich, man's deontological consciousness, his innate sense of personal obligation to valid norms of action, is the immediate awareness about his own essential goodness, the inner voice of his real or deeper and more genuine self. This

ethical awareness is traditionally called personal conscience. Kant however has called it practical reason because it points toward the ability of reason to govern human action, so that his action is not just driven by his passion to achieve personal happiness at the cost of others.⁹ Hence technical rationality is accompanied by a higher form of rationality, that is, by the practical reason which has to do with the reflection about human noble ends and the moral norms for regulating our conducts in order to embody those ends. Due to the exercise of practical reason, man is able to discover the essence of what is to be really human and to change his personal and social life into a higher form of existence in an effort to continuously approximate his essential nature.¹⁰ In short, practical reason is reason devoted to the realization of the categorical or unconditional moral imperative, whereas technical reason is reason employed for the fulfillment of conditional imperative arising out of our personal passion and intention.

3. The Autonomous Reason

As the bearer or the embodiment of reason, each individual is assumed to be capable of intuiting and responding to the demand of the objective rational law: "Autonomy means being a law to oneself. The law is not outside of us, but inside as our true being."¹¹ Autonomous reason became revolutionary in its commitment to create a new rational and moral society, -the Kingdom of Ends (I. Kant) or the Society of Perfect Liberty (A. Smith)¹²--, where there is a harmony between the individual interest and the common welfare. Thus for Kant, autonomy, far from being a mere following of individual advantage and preference, entails a coming together with other human beings in a shared moral endeavor for establishing the rule of the Kingdom of Ends where everybody is treated equally as a person, that is as an end in himself and not simply as an object or a means for the pursuit of our personal happiness. Autonomy finds its

fulfillment in the kingdom of universal brotherhood: the community of moral and rational beings. That is the foundation of the period of the bourgeois revolution that exploded in the eighteenth century. Man has found the courage to affirm his autonomous spirit and to transform the world toward a progressive civilization:

The revolutionary bourgeois fought against feudalism and the authoritarian churches. Unlike our present-day analytic and critical reason, he had a passionate belief in the logos structure of society, and was convinced that the human mind is able to re-establish this structure by transforming society. We could therefore call it revolutionary as well as critical reason.¹³

The bourgeois revolution gives an enormous dynamic impulse to the following development of history. It radically changes the political and economic order of society. The political order is thereupon based on democracy, namely upon the acknowledgement of the equality of all persons as the bearers of reason, the voluntary association of the citizens, and the free election and termination of the ruling authority in accordance with the public choice. In the economic order, tradition and community are replaced as the primary source of security and happiness by the free-market, the laws of which are finally discovered by the economic science. Thus, we are witnessing the birth of a democratic capitalist society whose dynamism is derived from the miracle of the self-regulating and self-developing market. According to Tillich, the dynamism of the emerging and expanding capitalist free market needs the introduction and cultivation of the hedonistic drive --the pleasure principle-- among the people at large. Without the presence of the pleasure principle, the obsessive and excessive need to consume whatever is being produced, the capitalist society, which is dependent upon the endless process of selling and buying, would fail to grow. Increasingly, the pleasure principle permeates the whole society as it gains wider social acceptance and becomes popular norm for daily living. In short, it becomes the basic attitude of the people that

correspond perfectly well with the demand of the ever-growing market:

Thus an antipuritan principle developed in the midst of the Enlightenment and bourgeois discipline. If everybody should work and no one should buy and use the products of industry, there would soon be no work to do and the whole system would collapse. Therefore, it is not only good but essential to arouse in people the desire for goods. This resulted in the introduction of the pleasure principle as a dynamic into bourgeois society in opposition to the original Calvinistic and early bourgeois principle of work with its ascetic character.¹⁴

4. The Role of the Market

The capitalist society is a society of economic exchange focused upon the market. The market does not primarily refer to a spatial location, a crowded shopping center where people sell and buy ordinary goods, but to the way people actually behave in society. The market is a concept pointing to the infinite responsiveness of the capitalist society in constantly arousing and fulfilling the needs and wishes of its members. Of course, we could also find a certain degree of such responsiveness in a traditional society. A society can only survive through the hazards of history if it is able to provide for the basic needs of its members. However, traditional feudal society tends to produce not for an impersonal and anonymous market but for actually meeting the perceived communal needs and known customers. Any amount of surplus or profit that happens to be gained goes mostly not into the productive sector but into the symbolic sector for securing one's superior and immortal name in the sight of the community. In contradistinction to the traditional society that struggles to fulfill the actually perceived basic needs of the community, the capitalist society produces goods and services for an anonymous market. That is, for various invisible demands of the hidden customers whose effective present is signaled only by the existent of profitable prices for the commodities offered. So long as there is a profitable price for anything, and anything in this context means the infinite potentialities of the still uncharted forms for

fulfilling human wishes and fancies, then there is a market, namely an effective demand worthy the expense and the effort for satisfying it. Hence, market is simply a name for the calculated response to any demand of goods and services in terms of profit-and-loss. It is not a specific location but a common mentality animating the whole society. The free-market is the freedom to produce and sell anything, including human labor, that people are interested in buying at a rewarding price in order to glorify their hedonistic striving for possession, consumption and fame: "Thus the proposition was advanced that the private vices of the powerful individuals who desired luxury, glory, and social status are the forces which keep the whole machinery of the capitalistic society moving."¹⁵ The economic enterprise no longer serves domestic and communal needs but serving its owns inner goal, namely gaining profit and expanding capital. In order to do that, it must create and stimulate the stream of supply and demand infinitely. In other words, it depends upon the continuous titillation of the people's pleasure principle. By the presence of the imperative to produce and supply for the infinite demand of the market, the great process of the transformation of reality into commodities starts to become the core-activity of the whole modern society.

5. The Profit-Motive

In this new cultural climate, people are socially conditioned to behave as profit-seekers who are preoccupied with their own pursuit of personal happiness, sharp and cunning in response to any chance for reaping competitive advantage against their fellow beings in the social intercourse. The distinction between need and greed, between vice and virtue is blurred in the new economic space liberated from traditional constraints such as the prohibition of lending money at interest, the condemnation toward the limitless accumulation of private property, and the insistence on transacting at "a just price", namely a price that would allow a merchant

able to maintain his customary business and his traditional status. Hence, there arises the popular aphorism that “private vices lead to public benefits.”¹⁶ It means that out of the combination of individual calculation and social competition among people for acquiring personal profit and private wealth there would automatically emerge an increase in the common good. Profits lead to investment; investment produces goods, services, and jobs for the benefit of society as a whole. Competition serves as an effective mutual restraint disciplining the entrepreneurs in order to use the productive resources to the best of their ability for meeting the demands of the population. According to Tillich, beyond the immediate pragmatic success of the capitalist economics in raising the level of prosperity, the paradox between “private vices” and “public benefits” can only be understood if we grasp the underlying assumption of the classic economic philosophers. Ultimately they rest their case for defending the capitalist liberal economic order not upon man's egoistic and acquisitive behavior but upon the rationality of the underlying law of harmony. That basic law is conceived by Adam Smith as the operation of the invisible hand of God, which effectively regulates the seeming impression of chaotic individual initiatives and this securing their final social integration:

Reason in each individual would be discovered to be in harmony with reason in every other individual. This principle of automatic harmony found expression in every realm of life. In the *economic* realm, it was believed that the welfare of all would be best served by the unrestrained pursuit by each individual of his own economic interests; the common good would be safeguarded by the “laws of the market” and their automatic functioning; this was the root-principle of the economy of *laissez-faire*.¹⁷

6. The Global Victory of Capitalism

As humankind turns toward the nineteenth century, the market mentality has been completely captivated the Western world. The capitalist mode of production has radically transformed the traditional

mode of production based upon peasant craftsmanship into industrial production increasingly based upon large-scale capital and technological investment. Consequently, it is capable to increase greatly the amount of commodities produced while at the same time saving the cost of production and the labour time. The circuit of capital grows faster and larger. For example, Robert Heilbroner formulates the growing political and social influences of the bourgeois class in the following way: "By the end of the seventeenth century a bourgeois (burgher) class was already a political power in England; by the end of the eighteenth century it was a real master of France; by the end of the nineteenth century, the dominant political force in the world."¹⁸ Tillich himself observes that in the nineteenth century, *the first period* of capitalism turns into *the second period: the period of bourgeois revolution* settles confidently into *the period of the victorious bourgeoisie*. However, the end of the first period means also the dissipation of the revolutionary elan for transforming society on the banner of reason, so that reason is completely absorbed into technical reason serving obediently the capitalist system of production and exchange. Tillich describes the capitulation of revolutionary reason of the first period of capitalism into technical reason of the second period in the following way:

Reason in the first period had been concerned with ends beyond the existing order. Technical reason became concerned with means to stabilize the existing order. Revolutionary reason had been conservative with respect to means but "utopian" with respect to ends. Technical reason is conservative with respect to ends and revolutionary with respect to means. It can be used for any purpose dictated by the will, including those that deny reason in the sense of truth and justice.¹⁹

(to be continued)

End Notes:

- ¹ Paul Tillich, "The World Situation," [1945], in *The Spiritual Situation in Our Technical Society*, edited and introduced by J. Mark Thomas (Macon, Georgia: Mercer University Press, 1988), p.4.
- ² Paul Tillich, *The Socialist Decision*, [1933], trans. by Franklin Sherman (New York: Harper & Row, Publishers, 1977), p.48.
- ³ Tillich, "The World Situation," p.4 ff.
- ⁴ See Paul Tillich, *A History of Christian Thought: From Its Judaic and Hellenistic Origins to Existentialism*, ed. by Carl E. Braaten (New York: Simon and Schuster, 1968), p.342.
- ⁵ Paul Tillich, "Anxiety-Reducing Agencies in our Culture," [1950], in *Main Works/Hauptwerke*, ed. by Carl Heinz Ratschow (Berlin: De Gruyter, 1990), vol. 2: p.243.
- ⁶ Quoted in Tillich, *Theology of Culture*, p.82. Cf. Hegel, *The Phenomenology of Mind*, trans. by J. B. Baillie (New York: 1964), p.267.
- ⁷ Tillich, "The World Situation," p.4.
- ⁸ *Ibid.*, p. 26.
- ⁹ See Tillich, *A History of Christian Thought*, pp. 326, 328.
- ¹⁰ The pair practical and technical reason is equivalent to what Max Weber called value-rationality (*Wertrationalität*) and goal-oriented rationality (*Zweckerationalität*), see M.M.W. Lemmen, *Max Weber's Sociology of Religion* (Hilversum: Gooi en Sticht, 1990), pp.50-51. Later on Tillich would develop his own version of the contrast between ontological and technical reason, see Paul Tillich, *Systematic Theology* (London: James Nisbet & CO LTD, 1968), vol. I: pp.79-83 and elsewhere.
- ¹¹ Tillich, *A History of Christian Thought*, p.321.
- ¹² For an explanation of Adam Smith's ideal society, see Robert Heilbroner, *Twenty-First Century Capitalism* (London: UCL Press, 1993), pp.52-54.
- ¹³ Tillich, *A History of Christian Thought*, p. 328.
- ¹⁴ *Ibid.*, p.353.
- ¹⁵ *Ibid.*, p.356.
- ¹⁶ This statement is commonly attributed to Bernard de Mandeville (1670-1733). See Tillich, *A History of Christian Thought*, p.355. Tillich interprets Mandeville's statement to the effect that progress is based on immorality: "To put it in a formula one can say that *private vices are public goods*." See p.353. Tillich's italics.
- ¹⁷ Tillich, "The World Situation," p.5.
- ¹⁸ Robert Heilbroner, *Twenty-First Century Capitalism*, p.34.
- ¹⁹ Tillich, "The World Situation," p.6.