Religion, capitalism and the rise of double-entry bookkeeping

Hans Derks*

Former Senior Lecturer, University of Utrecht, Netherlands and University of Paramarito, Suriname

Max Weber and Werner Sombart inspired a famous debate about the following problem: what should be the (historical) basis nowadays for understanding the relationship between religion, capitalism and double-entry bookkeeping (DEB)? In their view DEB practically invented capitalism thanks to its religious basis. Recently, the debate was renewed by claiming that Roman Catholicism played this pivotal role. The article deals with all three main concepts in the relationship. It redefines capitalism, gives DEB its proper place in the past and present, and denies that Roman Catholicism as a belief system had something to do with DEB and capitalism. As an alternative, it proposes a new theoretical framework based on a modernization of the age-old Aristotelean Oikos versus Market thought, which was revived in Weber’s *Evolution der Hausgemeinschaft*.

**Keywords:** accounting history; business history; capitalism; double-entry bookkeeping; religion; *oikos*-market theory; Max Weber

I. The problem today: an introduction

Werner Sombart who, together with Max Weber, is responsible for the enduring interest in the relationship given in the title of this article, referred to the ‘invention’ of double-entry bookkeeping (DEB) as a revolution. Since the end of the west-European middle ages, it has been impossible to see boots or shiploads, flour or cotton, but only money-values (*Wertbeträge*), which increase or decrease … the capital concept as such is created … and in the same time the capitalist enterprise as the organization aimed at realizing (*verwerten*) of a certain capital.

(Sombart 1919, vol. 2, 120–2)

Time and again, political economists, economic and accounting historians, theologians, sociologists and, today, information technologists puzzle about the change, relevancy, form and content of this typical relationship. Time and again, Max Weber and Werner Sombart bask in the limelight of these debates.

However, current experience reveals that the origin of the debate around 1900 in the studies of Weber and Sombart was a false one; probably, students were blinded by the brilliance of their performance. Most supporters and critics who participated in that debate did not realise the obvious
deficiencies: (i) the three main elements (DEB, capitalism and religion) each suffered from too many conceptual misunderstandings and exaggerations, too many ideological interventions, and (ii) the debate was not properly considered as being about a relationship.

We now live in a world with different belief systems and in a global economy unlike any seen before. A new perspective on this relationship is needed, but this requires that the false start and its consequences first be negated. That is the aim of this article.

The inducement to re-analyse the European medieval historical roots of the relationship between religion, capitalism and the rise of DEB and the Weberian–Sombartian study of that relationship is the recent publication of several studies on the same subject (Aho 2005; Chiapello 2007; Yamey 2005). In particular, Aho’s study is helpful in formulating the alternative historical and sociological explanations of the relationship.¹

Where there is a relationship between three elements – capitalism, religion and DEB – all three should be discussed in conjunction with each other in order to arrive at conclusions about the overall relationship and, in this case, alternative explanations of its nature. This approach, however, is impossible in the space available. Instead, after a preliminary definition of DEB in the remainder of this first section, we shall discuss the interconnection between capitalism and Weber’s theory in the second, and between medieval religion and the rise of DEB in the third section.

### On defining DEB

When trying to define DEB, we arrive directly at the core of the debate. It was common wisdom to assume that DEB is a merchant’s creation. Surprisingly, Aho now proposes a medieval pope as its inventor. This claim for a Roman Catholic creation contrasts with Weber’s or Sombart’s theories about DEB’s reliance on Calvinism or Judaism, respectively. An ideal definition of DEB should hold for past and present, and for lay and religious purposes, not only for the merchant’s market and its ventures, but also for the religious oikos (the household of a religious institution) and even The Oikos, the House of God. My definition of DEB should not rely on conventional and technical knowledge alone, but it stresses elements which will be discussed as such in this paragraph and elsewhere in the article within their historical context like the form-content/substance of DEB, the private and public use or the controlling capacity of DEB (Supple 1977, 412).

Therefore, I first define DEB, relative to the content, as a way of organizing, arranging, registering accounting data of ventures (public and private) that informs several users, in particular the owner(s), to improve decision-making, to uncover gain/loss, to track the entity’s rights and obligations, to recall past activities, and to achieve a greater control or surveillance of transactions internal and external to the firm or other institutions.

Weber/Sombart did not give a proper definition, but conjured up Newton and Galilei to command admiration for DEB (Sombart 1919, vol. 2, 119). It therefore looks as if they are fascinated only by the form the given data are moulded in. Yamey points this out with his remark:

> Teachers and professional bookkeepers were attracted to double-entry by the elegance and mathematical precision and symmetry of the method. The development of the ‘art’ owes a good deal to the interest of mathematicians and arithmeticians from Pacioli onwards. The fact that the ‘art’ was regarded as a ‘mystery’ by many merchants probably helped to make it popular with professional bookkeepers.

(Yamey 1949, 113, note 2)
As we will see, symmetry, equivalence or equilibrium are form concepts well-known before the monk Luca Pacioli (1445–1514) wrote the first known manual of DEB. They must have played a substantial role in the development of DEB. The conceptual basis of DEB, the balance (bilancio), therefore had a bright future. The concept of balance has received widespread application: the principle and policy of the balance of power was in evidence among the Italian city states of the fifteenth century. Its theorists describe it as ‘the political counterpart of Newton’s physics’, as Sombart already had with DEB. Its practitioners sold it as ‘the central “realist” concept for the preservation of international order’, while an American Secretary of State coined its successor, as early as 1955, the balance of terror (Bullock, Trombley, and Lawrie 1999, 65).

With the balance of payments between nations and the balance of trade, a more ‘realist’ comparison with DEB is laid, but they are also rooted in the intellectual climate and nationalistic practices of the seventeenth century with people like William Petty, Gregory King, Pierre Boisguillebert and many others (Braudel 1982, vol. 2, 204 ff.). In this heyday of the oikoidal (see below) Mercantilists, the National Debt was created, and people started worrying about the taxable capacity of the nation-state, the redistribution issues associated with it, the possession of as much gold as possible, national accounts, and so on (Mokyr 2003, vol. 4, 33 ff.; Wilson 1975, 500). So much so that in absolutist France the first attempt was made to combine all given balance-policies, including orders from above to practice DEB, although this obligation already existed in Spain from 1549/1552 onwards (Hernandez-Esteve 2006, 13 ff.). Therefore, given this background, it is necessary to complement the above definition of DEB with the following words after ‘institutions’ (or eventually after ‘data’): ‘so that at least the basic components are in balance, the assets equal the liabilities’. In this way the definition will certainly hold for the past, but what about today and the (near) future?

First, the need to use DEB seems definitely to be undermined. On the Internet one easily finds expressions like DEB ‘is becoming the Latin of business schools’, that it ‘is not in demand in everyday practice’ or that it is not fit for a knowledge society; thanks to computer technology, people assert ‘the concept of debits as archaic’ (Fischer 1997). Few today write ‘in defense of DEB’ (Fischer 1997).

More important seem to be the fundamental developments in the public-private relationship. For instance, DEB existed in private firms at the end of the sixteenth century in Flanders (Belgium), and it should be introduced today in the public institutions. Its central government has a current budget deficit of at least 3 billion Euro (2007), whereupon the Office of National Budget Control urged the introduction of DEB (Pompen 2007). Its president remarked that this is the only way to discover fraudulent accounts: ‘credit and debit must be always equal … The United Kingdom, France and Germany are already using this system and the European Commission will follow.’ In Belgium a law from 2003 made it mandatory to introduce DEB, but it has not yet been put into effect. For the monitoring and penalising of fraudulent budgets of local and lower government institutions, DEB seems still to be regarded as an excellent tool.

All this results in a highly puzzling constellation: in private (market) ventures some want to get rid of DEB, while in public oikoidal institutions (bureaucracies) others want to introduce it. Whatever the explanation of this contradiction, there is a good chance that the relationship suggested in the title of this article has only a historical value and that the given definition will hold in the future for oikoidal/public institutions only and not for (new) market/private businesses. An interesting thesis, which we shall try to clarify, starting with the following example.

A professor in enterprise information systems (EIS), material requirements planning (MRP, with the nickname ‘bookkeeping of the future’) and enterprise requirements planning (ERP) recently came up with a surprising evaluation:
It was long after the end of my student period … that I realized how immensely important has been the invention of modern double-entry bookkeeping about which one, unjustly, often has a disdain … it reproduces reality relative to a clear amount of data related to each other in a model, which are comparable because they are expressed in similar values, namely in financial values.

(Wortmann 2003, 6)

But this expert continues with a look into the near future in which combinations of ERP with office automation:

signify, that the information systems no longer represent a model of reality – no, they start partly to coincide with that reality … Earlier, an order or contract was made first and afterwards brought into the information system, but the combination of ERP with office automation shall make an end to this division: an order only exists if it is entered into the information system; an activity is executed if it is executed in the information system; a supply is accepted, if this is accepted by the information system, and so on.

(Wortmann 2003, 12, 13)

This development concludes with an integration of many aspects into one information system. Information technology is transformed from a marginal phenomenon into the nucleus of companies and bureaucracies. In addition, for Wortmann the Internet is of pivotal importance in this process. The Internet, a global market in the most ideal form, is given a proper place in his super-oikoidal design of the near future. Here the struggle between Oikos and Market seems to have been decided in favour of the former, a reality which is only apparent in the most advanced western countries.

Anyway, there is support for the conclusion that once some fundamental extensions can be realised, the DEB form and the DEB content still have an important future (whatever one may think of it politically or morally). Furthermore, an oikos-market dichotomy seems to be still important in the present, stimulating us to look further into its meaning and impact. From both conclusions it follows that it cannot be obsolete to renew a century-old debate about DEB’s relationship to capitalism and religion.

II. The capitalism in the relationship

Richard Passow (1927), the first to scrutinise how different contemporary scholars defined capitalism, placed Weber and Sombart centre-stage (Chiapello 2007, 276 ff.). Until ca. 1920, one circumscribed it mostly as ‘Geldwirtschaft’, ‘money economy’; only a very few referred to ‘capitalist production’. At the end of the nineteenth century, there was another custom among the leading scholars such as, for instance, the famous classical historian Theodor Mommsen. He often wrote about ‘Kapital- und Kapitalistenwirtschaft’ (‘capital economy and economy of capitalists’). Marx’s reaction in the third volume of Das Kapital is interesting. It is a mistake:

like that of Mr. Mommsen to discover in every money-economy already a capitalist way of production. Mr. Mommsen … understands the word ‘capitalist’ not in accordance with modern economy and modern society, but only similar as popular wisdom says, which is not a custom in England or the United States, but only on the continent where old-fashioned traditions are still spread.

(Passow 1927, 3)

It should be compared in a systematic way to present-day definitions of capitalism. That is not possible here. Instead, I give two popular English examples. A Penguin dictionary defines capitalism as follows: ‘The politico-economic system, based on private property and private profit,
censured by Karl Marx for its exploitation of labour.’ There follows a cross-reference to ‘Free Market Economy’ (Bannock 1978, 69). The other example is a contribution by Robert Heilbroner. He states that ‘capitalism’ refers to the ‘market system’ or ‘the free enterprise system’ and is:

the most important mode of economic organization in our time … most unusual … distinguished from all other economic orders, past and present, by three properties … its continuous effort to expand wealth … [its coordination] by a network of markets, rather than by the determinations of kings and local lords … a dual system of power [: ] a private sector dominated by … business enterprise and the … consumers … a public sector in which government exercises its traditional powers.

(Bullock, Trombley, and Lawrie 1999, 103 ff.; see also Stearns 1994, 91–4)

Whatever might be the limitations of these definitions, ‘market’ is certainly central to each of them. It is a concept that is seldom defined as the place/situation where supply and demand meet; it presupposes by definition some relationship of production and consumption (a capitalist one and mostly another), but not the availability of money. In the UK and USA, capitalism is associated with an economy free from government intervention and, historically, ‘free from a domination by lords’, from a traditional Herrschaft. In fact, one refers, as we will see below, to the traditional oikos-market dichotomy. The main difficulty, in my view, lies in Heilbroner’s third property, that capitalism is ‘a dual system of power’. If this is right, how should it be understood? He does not explain the existence of something more ambivalent as ‘a free market(-network)’ which is at the same time a ‘dual system of power’. He, furthermore, has difficulties with the historical location of his capitalism. A review of the origin of capitalism, as described by say Chiapello 2007, 276 ff., could help to unravel these obvious contradictions in terms.

The origin of capitalism

Passow (1927, 73 ff.) castigated both Weber and Sombart because they did not define capitalism properly, or because they tried to do this in the wrong place, or were so vague that every ‘entwickelte Geldwirtschaft’ (developed ‘money economy’) from time immemorial could be called Kapitalismus. Their capitalism is also related to whatever activity was deemed irregular, uncontrollable or detestable and largely identified with Market, money deals or speculation.

One of the many passages on Kapitalismus in Weber’s oeuvre mentions that throughout history there have been entrepreneurs who were ‘capitalist adventurers’ and ‘irrational-speculative characters’ eager to catch their prey by violence, war and chronic tax-exploitation of subjects. He continues: ‘But only in the West in modern times one has along with it [those ‘capitalist adventurers’] a totally different kind of capitalism which was never developed elsewhere: the rational-capitalistic organization of (formal) free labor’. (Weber 1934, vol. 1, 7) However, what later is called capitalism was only semantically related to a phenomenon developed mostly in France and England from ca. the middle of the eighteenth to early nineteenth century. It is capitalist production (c. p.), the way private property combined different kinds of capital for industrialised (standardised and mechanised) mass production to realise mass consumption and a certain profit maximisation. The definition of capital is accordingly related to this way of production.2

Its positive and negative effects were enormous and for a long time irreversible, not the least because of its scale; it could break through all traditional economic, ecologic or social barriers. For c. p. only the costs and availability of labour matter, not freedom (certainly not Weber’s ‘formal free labor’): the same producer who works in England, France or the Netherlands with free labour employs slaves in the colonies of his country. In addition, there is the discrepancy that to obtain
raw materials, mostly non-free labour is used, and for the production of end-products in the ‘home land’, free labour.

Indeed, capitalism had quite a different source. After 1850, as a general trend, the many regional individual C.p.’s were superseded by a few ‘networks’ of C.p.’s and banks with a mostly victorious leadership and strong civil and financial support. Thanks to monopoly and cartel positions, this new industrial and financial elite was socially closed to outsiders and economically closed to competitors (church, aristocracy, monarchy and army). This elite slowly accommodated to the defeated traditional feudal powers. Aims of both: to counteract the new oppositions (socialism, etc.), to solve the negative effects of C.p.’s and to start new imperialist adventures. In my view, it was this ‘marriage of convenience’ which gave birth to the -ism, capitalism.

After 1850 and certainly after 1870, a new criticism, named anti-capitalism, came to the fore: all corners preached New Society creeds to reconstruct whole societies (Muller 2002). They came from adherents as well as critics of capitalism. Everywhere the state and its main supporter, the church, recovered from its nineteenth century status of ‘night-watch state’ and from strong anti-clericalism, respectively, while modernising their traditional institutions of repression.

All this had nothing to do with c.p. and its alternatives. Now that capitalism had reached the status of organiser of society or even of the world at large, the concepts involved blurred or exaggerated the importance of c.p. activities and blocked the understanding of their historical roots (Braudel 1982, vol. 2, 232 ff.). Its world power position was reached thanks to national armies and navies, other state institutions and Christian missionary activities (see ‘scramble for Africa’, the Middle Eastern race for oil, etc.).

The new relationship between Capital and State now became a leading perception for every new historical research into the roots of capitalism. It is not by accident that around 1900 the Germans Max Weber and Werner Sombart were among the first to prove the historical and theoretical relevance of this relationship. When reading Wirtschaft und Gesellschaft (Economy and Society), one does not get the impression that an industrial revolution had taken place and a c.p. had existed with all its consequences. In addition, Weber’s whole casuistry and methodology, as will be shown below, demonstrate the thoughts of an emphatic follower of the strong (Oikos) State. This end result is, in fact, prescribed by Weber’s description of the Mercantilist patrimonialism with national and foreign, private and public monopolies (Weber WandG, 645, 648 ff.; Weber EandS, 1102 ff.).

Last but not least, both Sombart and Weber, each in his own way, became rather sharp critics of what was then called Manchester capitalism. Theirs was not an original stand because Manchester capitalism was broadly condemned by mainly continental Europeans from all political corners as the most detested form of ‘free market capitalism’. Since this Manchester capitalism was nothing but the market struggle of c.p. one can say: c.p. was one of the main enemies of capitalism. Why? Because in a free market the forces of ‘supply and demand are allowed to operate unhampered by government regulation’ (Bannock 1978, 190).

Contrary to c.p., capitalism is used as an ideological construction once a combination/relationship of state and capitalist elite (at one time/place state-dominated, at another time/place capitalist elite-dominated) is established, which intentionally undermines the normal workings of supply and demand in order to establish and sustain a kind of monopoly position: for the state a ‘monopoly of force’ (Weber WandG, 198, 388, 397, 418ff.), for the capitalist elite a monopoly position in (if possible) all production (including labour and money) and/or consumption markets. In other words: thanks to the given cooperation, capitalism became the concept of a ‘system’ in order to dominate societies. Socialism, Fascism, Nazism, Communism, Roman Catholicism, Lutheranism – they all supported anti-capitalism in favour of a centralised state as a weapon
against free market c.p., as a means to establish a hierarchical society based upon some ideology or to propagate their own centralised New Society project(s).

They are all in need of historical legitimisation (their basic roots were far back in history) and some theoretical justification (the leading concepts had to form whatever logical system): the works of Weber and Sombart provided fundamental resources for both aims and for all of these -isms. That is certainly a reason for their continuing popularity as well as for the very extensive criticism of nearly every aspect of their work. Attractive for those -isms was their immanent oikoidal stand which was, however, not well founded. Probably thanks to the unfinished Oikos chapter in Weber’s WandG/EandS, scholars overlooked its importance for the whole oeuvre, including the subject of this article.\(^7\)

**The oikoidal economy**

The Greek word *oikos* (plural: oikoi) has several translations: house, household, family, manor, etc. In the socio-political literature it indicates not only the authoritarian way of rule in the house/family, but also the economic self-sufficiency/autarky of a household. Aristotle introduced these words for all generations to come in his Politics and added the *polis-oikos* relationship. Almost all later political philosophers and theologians translated *polis* not by community, but by city or state, most often city-state. However, of the ca. 2000 ancient Greek *poleis*, only about ten can be reasonably called cities (astu) and none a state by whatever definition: the largest majority had an average of 500 inhabitants. In the ancient Greek culture *polis* can only mean the public community and *oikos* the private community, with both having political, economic or social characteristics (Derks 1986, 60–78).

The *polis* = city/state translation is one result of the medieval Christianisation of Aristotelian concepts. *Oikos* received a similar treatment (see below). Weber accepted all of this, inspired mainly by nineteenth-century German political economists. The most reasonable definition of an oikos given by Weber in my translation is (Weber WandG, 230, 231; Weber EandS, 381):

> An oikos in a technical sense is not simply any ‘extended family’ [*Hausgemeinschaft*] or a household which produces a mixture of products, for instance, industrial and agricultural ones; an oikos is the large household of a prince, manorial lord or patrician, which is managed in an authoritarian way not, in the end, for capitalistic acquisition of money but to organize the satisfaction in kind of the lord’s needs [natural Deckung des Bedarfs des Herrn]. … It remains decisive for the lord to exploit his (inherited) fortune [Vermögensnutzung] of land, etc. and not to invest [money]capital. The principle of the oikos is organization of the satisfaction of needs [organisierte Bedarfsdeckung], even if it uses individual production companies [erwerbswirtschaftliche Einzelbetriebe] in its realm for this purpose.

This definition refers to many dichotomies which are explained and discussed somewhere in Weber’s oeuvre. For instance: household (Haus) – market; landed capital (inherited fortune) – money capital; consumption-production; authoritarian family father (Herrschaft) – other family members as his subjects; natural economy (Naturalwirtschaft) – money economy (Geldwirtschaft); etc. Therefore, I can point to the pivotal importance of the *oikos* concept for Weber’s work.

The German concepts *Bedarfsdeckung-Erwerb*, which are crucial here, are difficult to translate. They are embedded within an intensive debate between German economists, economic historians, philosophers and sociologists from ca. 1870 onwards (Pribram 1998, 401–67, 521–46; Drukker 2006, 39–54). It ultimately concerns a simple question: what is more important in economic life, the ‘subjective’ satisfaction of personal needs of the people or the ‘objective’ workings
of supply and demand in the market? Weber definitely chose the first answer. It resulted, for example, in his criticism of an ‘objective Spirit’ which would be inherent in capitalism, the ‘rationalisierte Erwerbsstreben’ (in several passages something like ‘the drive to accumulate’) as the most important value in a capitalist society. In the end, Weber’s criteria for criticising capitalism were, therefore, derived from the ‘Spirit of the Oikos’ with its roots in ancient Greece.8

In its pure form the oikos refrains from any exchange and operates in a self-sufficient way as an economic autarchy (tauschlose Eigenwirtschaft). According to Weber all ancient economies were basically of this type. The medieval manorial properties were gradually emancipated from their autarkic existence thanks to the influence of urbanisation or developing money markets. In Eastern Europe there existed large, complicated oikoi until the beginning of the twentieth century in which several companies (producers for markets) were often involved and compulsory labour was exploited.

The basic political element of the household is the patria potestas, the monarchical power of the father over life and death of wife, children and other members of the family and self-sufficient, peasant (autarkic) households. In the political theology of the middle ages (as preached by, for example, Thomas Aquinas) and early-modern Europe (e.g. Jean Bodin), this Aristotelean oikos model was not only christened, it received a highly significant extension as well. The oikos with its authoritarian father, etc. was now augmented with the meaning and practice of Oikos as State. It became the model of the absolutist monarchy with a state-household ruled as a self-sufficient patrimonium (Sombart 1919, vol. 1, 142 ff.). To the outside world this Oikos was very aggressive; the inside world of its territories was (at least theoretically) systematically divided along the classical grid-iron (checkerboard) model in an increasingly detailed way within a power-hierarchy. This geometry of power also seems to me to provide a clue to discovering the origins of DEB.

**Economy versus Staatswissenschaft**

An oikoidal economic science was, first and foremost, directed to the management of this oikoidal state; it was called oikonomia politika or Staatshaushaltskunde. Economy or economics was quite a different discipline, which was practised only in Anglo-Saxon countries. The latter was seen as a market-science opposed to the state-science (Staatswissenschaft).

For Weber, Sombart and many others, the purest form of oikoidal management literature was the so-called Hausvaterliteratur, such as Leon Battista Alberti’s I Libri della Famiglia (ca. 1433) and many other similar publications in Italy in the fifteenth century (Dominici, Vergerios, Barbaros, Palmieris, etc.).9 They mostly concern the management of an estate or a city with its surrounding countryside. At a modern state level, Mercantilism, Physiocratism and Cameralism of the seventeenth to the nineteenth centuries belong to similar oikoidal theories and practices (Lindenfeld 1997); the economic policy of the Nazis largely belonged to the same category (Derks 1996). It is, therefore, logical that Weber subsumed all planned economies under the heading Haushalten (Weber WandG, 59; Weber, EandS, 109).

Altogether, this history from the Ancients up to the Rothschilds and the new realities of the early twentieth-century forms Weber’s Evolution der Hausgemeinschaft which he describes in detail scattered throughout his works. In a socio-economic theoretical framework, this Evolution is derived (or is it the other way round?) from his model of the two kinds of economies: Bedarfsdeckung/Haushalt versus Erwerb. This model forms the very basis of the whole edifice of Weber’s casuistry. The explanation given in Weber’s WandG for this basic dichotomy is as follows: economy with the aim to satisfy own needs/wants versus the economy zum Erwerp
which is the exploitation of the scarcity of goods in order to get an own profit, because you are in the possession of these goods. It is symptomatic that the latter is derived from the former in this relationship and is not developed in its own right. Without these two different concepts and their relationship, one cannot understand anything of Weber’s theories and descriptions. One begins to understand them if they are translated properly from an oikoidal language (German) into a market language (English), which is not very easy.

Whenever confronted with economic historical facts, Weber advised his readers to ask first ‘are they used relative to a household or a production for a market?’ (Weber, WandG, 63, my translation). Translations of Weber’s EandS by celebrities such as Talcott Parsons, Edward Shils, Hans Gerth and Max Rheinstein, as well as that by Günther Roth and Claus Wittich, all use the following words, however: ‘one must ask … whether they are used in a context of budgetary administration or of profit-making enterprise’ (Weber EandS, 114). They are not very certain of their case and add a justification by explaining what Weber meant with Haushalt:

essentially what Aristotle meant by the ‘management of a household’ … It is a question of rational allocation of resources in providing for a given set of needs. The concept budget and budgetary management seems to be the closest English equivalent in common use.

(Weber EandS, 207 notes 14–6).

If we leave aside mistakes like the use of ‘rational’ in this context (see below), the following remarks can be made. The translators are right to refer to Aristotle, but they read his relevant writings as clumsily as they do Weber’s. To equate in this context an ‘administration’ with a ‘production’ is incorrect; even Weber points clearly to something of a similar and comparable economic nature. Rather strange is the translators’ identification of an administration with a management of a household: the former covers organisation of paperwork and incorporates bookkeeping (Buchhaltung), quite possibly in the form of DEB, whereas the latter refers to the organisation of all activities providing the daily food on the tables, bringing children to school, repairing the house or planting the new seeds.

This kind of misunderstanding is magnified for the counter-concept Erwerb. Weber’s EandS always translates this in the main text as ‘profit making’. However, ‘profit’ (‘Profit’) does not show up in the highly detailed register of Weber’s WandG, and the more general term Gewinn appears only four times. In a note Weber’s EandS explains that the term Erwerben would perhaps best be translated as ‘acquisition’ but, because Weber used it as antithesis of Haushalten, they prefer ‘profit-making’. This is a strange argument for several reasons: in particular, profit is the promised result of Erwerb. We will abandon this criticism here because Weber, in contrast to the very detailed and positive considerations about Haushalt (haushalten), refrains from defining Erwerb (erwerben) properly.

In Weber’s WandG, one cannot find anything about profit-making, next to nothing about prices and markets, (capitalist) production or cost patterns, while trade is mentioned only because he had to discuss the haushaltsmäßige exchange. This seems to me an unforgivable mistake for a scholar whatever his/her political position. The only justification I can imagine is that there is no contradiction between a Haushalt/oikos and a (capitalist) company in Weber’s mind; one has only to stress that they are both managed in an authoritarian manner. Apart from this there is the suggestion in Weber’s WandG/EandS that a Betrieb (German for enterprise, works, undertaking, etc.) is derived from the Haushalt in the sense that the latter works for itself and a Betrieb is a Haushalt which works for others, the shortest definition of market. In other words, all stress is laid on the internal organisation, the oikoidal part of the enterprise.
His message is clear: the world was always organised along the *Haushaltsprinzip*, which is a political concept from which an economic practice is derived; in the future this must also be the case if only to avoid anew that terrible historical aberration, the *erwerbsmäßige Kapitalismus*, which is a pure economic (= unbridled, chaotic reign of uncontrolled money-makers) market practice in which a political leadership becomes entangled. This a-historical and anti-economical point of view is, for example, expressed as follows in the Weber *EandS* translation:

> Domestic authority and household are relatively independent of economic conditions, in spite of the latter’s great importance, and appear ‘irrational’ from an economic point of view; in fact, they often shape economic relationships because of their own historic structure.

*(Weber EandS, 377; Weber WandG, 227, 228)*

For translators into English, ‘irrational’ has here no negative connotation. Although Weber died in 1920, for many observers including his wife, Marianne, there was little doubt about which irrational direction German politics would have taken if Weber’s political aspiration to become a German political leader had materialised (Baum 1981, 110).

**Rechenhaftigkeit**

How can DEB be situated within Weber’s casuistry? This is possible through his discussion of what he called ‘*Rechenhaftigkeit*’. Literally it is ‘the ability to count’, but there is some ‘way to go’ before it becomes accountability with its moralistic or even power element. Weber never explained it properly. The following reconstruction seems a good alternative.12

The ‘way to go’ can be found in Weber’s *WandG* and *Evolution der Hausgemeinschaft*. At a primitive stage, counting is introduced where exchange of something with a money-function such as shells, cattle, etc. took place. At a second stage, the effects of dowries and heritage rules are highlighted by Weber. He concludes that ‘the dowry … in fact … tends to be set aside as a “special account”. The “counting” starts to interfere in the internal relations of the [House]communities.’ Weber’s *EandS* already introduces here a ‘spirit’: the ‘calculating spirit enters’ the household, as if for the first time in history people started to make considerations in quantitative terms (for the same line of reasoning see Bryer 2000a, 2000b; Boltansky and Chiapello 2005; Chiapello 2007).

In a next stage of his *Evolution*, in Italy of the twelfth or thirteenth century, the dowry became an ‘oikoidal asset’ because of the internal and external impulses to disintegrate households. ‘House’ and ‘Job’ (*Beruf*) and ‘House’ and ‘(location of) Work’ (*Betrieb*) are dissociated. New needs are created in the outside world, specifically of the cities, and limitations of the *House* / *communities* are slowly broken down. The result is that the household is ‘not anymore a place of common production, but of common consumption’. In the agricultural areas there is the tendency to enlarge the large property-holdings (cloisters and secular manors) and to further partition the small peasant households: the former are better able to uphold the traditional *Hausgemeinschafts*’ ideals and practices.

Just a few sentences later Weber writes about ‘large capitalistic households of medieval cities’ and projects within his *Evolution der Hausgemeinschaft* the origin of capitalist enterprises and of DEB as a *reason* for the separation of household and *Betrieb*. This was deemed as ‘uniquely Occidental’ (Weber *WandG*, 49): ‘What is crucial is the separation of household and business for accounting and legal purposes, and the development of a suitable body of laws’ (Weber *EandS*, 379). Yamey is right to criticise any notion that DEB is in some sense necessary for this separation
(Chiapello 2007, 269), and, indeed, a proof of this separation is never given by Weber or Sombart. Eventually, DEB could be a consequence of this development, but there is no proof for this either.

Another aspect is also important. Weber always reasoned historically and theoretically from within an evolution of the *oikos* into some outside world, the market. This seems to be an ideological choice. Apart from the question of whether one can talk about an evolution, it is necessary to point to the reality. For example, a dowry was a means for one person to get the highest price on the available marriage *market* and for another to make a (foreign) household capital available for the capital *market* (Derks 1995, 55–8 for antiquity; Origo 1986, 192 explicitly for Datini’s late-medieval Italy). If one stresses the consolidation and eventually the expansion of the territory of the *oikos* (of aristocrats and monarchs), Weber’s dowry case makes sense.

One may, therefore, conclude that there are different dowry policies, oikoidal and market ones. It is, furthermore, unavoidable to site all this firmly in the monetisation of North Italian society (enterprises and institutions), in an economy which is oriented to become a full-fledged money economy. This has nothing to do with capitalism as defined above, but with what Passow (1927) supposed to be the only meaning of capitalism for Weber and Sombart, namely *Geldwirtschaft*. Let’s call it only this, which is complex enough.

Weber also starts using here the concept *Kapitalrechnung*, which is in Weber’s *EandS* translated as capital account. This English concept, however, cannot have the same meaning as *Kapitalrechnung*, either in private or in public use. What does Weber mean by this? It is difficult to go into any detail here, but it concerns one of the most extreme demonstrations of the *oikos*-market dichotomy. The *Kapitalrechnung* is perceived as contrary to the *Haushaltsrechnung* (translated in Weber’s *EandS* as: ‘calculations appropriate to a budgetary unit’) which has an orientation towards the *Grenznutzen* (marginal utility) whereas the former account is oriented to *Rentabilität* (incorrectly translated as profitability) (Weber *WandG*, 49; Weber *EandS*, 92; Bader et al. 1976, 265–9). Weber refers here once more to *Bedarfsdeckung* and *Erwerb* and to the economic theory of his time.

Weber clearly announces what nobody has ever said about a capital account, that the *Kapitalrechnung* in DEB ‘presupposes the battle of man with man … and further implies that the outcome of the economic process is decisively influenced’ (’setzt … den Kampf des Menschen mit dem Menschen voraus … weiter auch die entscheidende Beeinflussung des Resultates’) thanks to rich consumers who can outbid (*Überbieten*) and influential producers who can underbid (*Unterbieten*) (Weber *WandG*, 49 italics in original; Weber *EandS*, 93). This – including its context – is the most fundamental statement in Weber’s oeuvre: to my knowledge he never used such a strong wording for other situations.

This formulation demonstrates Weber’s negative attitudes to and limited appreciation of supply-demand practices. He is also attacking the most basic element of any economic activity, namely that there is in principal always a *peaceful* relation between supply and demand. It is exceptional if this relation leads to the mutual negation of human existence: after all, if somebody gives and another asks, they have to reach an *agreement* on the value of their deal to make the negotiation perfect. This does not change if money is used within these exchanges; it does not change either if somebody under- or outbids in the negotiation, for which it is unnecessary to be rich or influential.

Things change, of course, if from either side somebody or some institution orders the buying or selling of something against a zero-value or a fixed value without any negotiation, while threatening with some punishment. In this command economic case Weber’s dictum is appropriate, but this concerns only the exceptional oikoidal situation and not the normal market relationship. This authoritarian element is always given in Weber’s/Sombart’s writings. His DEB concept *Kapitalrechnung* deriving from *his* enterprise aims as *kapitalrechnungsmäßige Erwerben*
(= oriented to money profit) represents at the same time an exchange of personal labour for money. It is this perception of DEB which must be the background for Weber’s exclamation.

It is, therefore, not surprising that Weber perceives money-prices of products not as ‘innocent indications’ (‘harmlose Anweisung’) but as ‘weapons … in the struggle of interests’, as ‘products of struggle and compromise’ (‘Kampf- und Kompromißprodukte’) (Weber WandG, 58). Furthermore, this demonstrates how Weber takes a moralistic stand, which is normally inappropriate in the majority of market deals.

However, the best historian of DEB must have serious problems with all this, since he states that DEB:

It does not itself define the scope and detail of the [accounting] information … it does not prescribe which occurrences or changes that do not involve external transactions should be recorded … it does not prescribe whether changes in the value of the firm’s assets should be recorded … Double entry neither generates nor requires any particular set of valuation rules or profit concepts … it is concerned with arrangement and organization rather than with scope and content.

(Yamey 1987, 918)

This is a world apart from what Weber and Sombart perceived as their DEB. Let’s now discuss the relationship at issue from the point of view of religion.

III. Religion and the rise of double-entry bookkeeping

Notwithstanding the above critical analysis, there can be no doubt that Weber and Sombart wrote highly influential works. Sombart may be dated and old-fashioned or wrong in his interpretations, but social and economic historians still find something worthwhile to consult in his Der Moderne Kapitalismus. It is more difficult to say this of Weber’s works and particularly of the unfinished Wirtschaft und Gesellschaft. Nevertheless, James Aho’s aim to revive their theories (Aho 2005) gives us a good opportunity to study our subject in its roots and environment of origin? Aho is clearly not familiar with the binding elements in Weber’s scattered oeuvre: the Evolution der Hausgemeinschaft as historical and the oikos-market theory as conceptual basis. However, the purpose of this section is to examine Aho’s examination of the following issue – that for early European history Weber and Sombart invented the tradition of the religiously inspired DEB as the trigger of capitalism. First, we now know that we have to say for many reasons that their capitalism was something very different from handling an industrial production for the market. In addition, they were dealing with a Geist, a Capitalist Spirit which soon faded away.14 Aho, also denying the untenable Calvinism thesis, is pointing to alternative developments in an attempt to rescue the Weberian–Sombartian invented tradition.

The revision15

Aho’s central thesis is:

far from being a product of the Calvinist spirit, DEB emerged from the culture of the high Middle Ages, when through her sacramental regulation of the total life course of the individual, Roman Catholicism dominated the European psyche as never before.

(Aho 2005, 10)

Several conclusions can be drawn immediately: Aho remains within the ‘spirit’ discourse; he does not refer in any way to the real eighteenth and nineteenth century capitalist production (c.p.).
It is, furthermore, clear that within his ‘spirit’ discourse he missed the interesting earlier Catholicism versus Protestantism debate (Fanfani 1939; Novak 1993; Roover 1976, 345; Kirshner 1976, 16). Next: I am not aware that DEB had something to do with the origins of eighteenth and nineteenth century c.p., while one must realise that even the Rothschild banks did not use DEB before the twentieth century (Yamey 2005, 81). But promising insights probably arise from considering the Catholic Spirit as a new source. It is, anyway, a brave attempt by Aho to ‘enrich’ Sombart’s stand and, notwithstanding Weber’s ‘deadly’ errors, ‘to correct’ Weber (Aho 2005, 11). He promises to prove that DEB as a ‘pivotal feature’ of capitalism:

emerged from the moral milieu of the late Middle Ages, how Roman Catholic moral theology insinuated itself into commerce via sacramental confession; and how both commerce and morality were changed as a result: morality becoming, as it were, commercialized … and commerce ‘Christianized’.

(Aho 2005, 1)

For most medievalists, the view that the Roman Catholic church energetically pursued its economic interests in competition with other participants in the market at the local, national and international level is standard knowledge (e.g. Doren 1934, ch. 1. 3; Favier 1987, ch. 18; Le Goff and Schmitt 1999; Spufford 2002, ch. 1). And that it developed original means to accumulate its capital Europe-wide (from indulgences to ‘death bed heritages’) is also well known (Swanson 2006). That, however, phenomena like sacramental confession had the impact to Christianise commerce is a new idea.

Apparently, one must stress the words ‘as it were’ in the above quotation. There is, indeed, a large difference between fact and fiction in this case. The church, master definition-maker of what is good/evil and wholesale cashier of the penalty, vehemently attacked usury, the use of false measure instruments, the asking of interests on loans, etc. Aristotle was often its main authority for these policies, although he was not as rigid as claimed. But the main target, the interest verdict, was already seriously mitigated during the council of Lateran (1139), a wide opening was provided for the commenda (see below) and other incorporated societies to undertake such activity, while theories also circulated in which the merchant’s money was perceived as bearing fruit in the manner of the sewer’s seed (Delumeau 1990, 220–8; Kaye 1998, 79–87, 120).

Accusations with often far-reaching effects were only directed against Jews, but even here there were remarkable exceptions as in Venice which ‘resigned herself to admitting the first condotta (consortium) of Jewish usurers (1382–7) who lent money to small borrowers and even on occasion to patricians’ (Braudel 1982, vol. 3, 129). Venice was the scene of the harshest struggle of the Franciscan bankers against Jewish competitors around 1500, with the establishment of the Venetian ghetto as direct consequence (Derks 2004, 136–40; Little 1978, 42–57).

Several voices in the thirteenth and fourteenth century such as Thomas of Aquinas or Nicolas Oresme were critical of some mercantile activities, but in the end supported trade and profit-making as a necessary incentive for people who brought goods from places with a supply to places with a demand (see De Roover’s stance in Kirshner 1976). The Franciscan monk Lucas Pacioli, the author of one of the first treatises on DEB, stated: ‘The purpose of every merchant is to make a lawful and reasonable profit so as to keep up his business’ (Geijsbeek 1914, 33). Delumeau’s conclusion must be appropriate:

The skillful cover-ups of the bankers, coupled with the theologians’ disagreements, allow the continuation and growth of practices that were indisputably opposed to the spirit of canon law regarding usury. As the Dominican
De Soto observed in the mid-sixteenth century: ‘This question of exchange, already abstruse enough in itself, is made increasingly obscure by both merchants and the contradictory opinions of church doctors.’

(Delumeau 1990, 225)

Therefore, the ‘spirit’ discourse should be settled within a very earth-bound practice (Aho 2005, 47). This is necessary to arrive at some answer concerning the historical relationship (in Aho’s case) between Catholicism, DEB and capitalism (in Weber’s sense). As for the conceptual side of this problem, it would be relevant to shed some light on the relationship between the Oikos (represented by church and state) and the Market (here, for instance, the combined merchants and commercial bankers with their activities).

Confession and accounting

Confession presupposes sins, and sins presuppose moral laws, which presuppose acknowledged authorities who invent and issue these laws. This mechanism is addressed in the first chapter of Aho’s book concerning the origin and procedure of Roman Catholic Penance. Aho says ‘that the influence of the penitential legislation … was hardly limited to ecclesiastical circles. On the contrary, through its ceremonial procedures’, etc. it obtained a serious grip on society. ‘The consequences for commercial record-keeping … were immense’ (Aho 2005, 22). What commercial record-keeping has to do with this is not substantiated, nor is the immensity of this influence specified. Some clarification is, however, possible thanks to Marshall’s in-depth analysis of the business practices of small shopkeepers in Prato around 1400.

It was never a general condition that laws could force merchants and entrepreneurs to use DEB on penalty of punishment, although this did happen in Spain for the first time ca. 1550 (Hernandez-Esteve 2006). Still, pressure ‘from above’ could be very strong in medieval Italy, starting with a threat of violation of the usury doctrine of the Church, of the obligatory payment of taxes, or even thanks to court practices that ‘entries in account books had been recognized as prima facie evidence of debt since early in the Trecento’ (Marshall 1999, 76, 97 ff.). The latter privilege, however, was gained only after legalisation and registration of the journal and the ledger – not the memorial – in authorised public offices (Waal 1927, 54 ff.). Apart from this, there must have been the indirect pressure of numerous religious institutions deemed ‘essential to business success. Without this clientele, some shopkeepers [in Prato] would have found their sales cut in half’ (Marshall 1999, 28).

However, the systematic violation of religious, guild and municipality rules by the tradesmen relative to closing hours/days of their shops (even on Christmas Day) demonstrates the other side of this coin. The usury verdict that following, ‘the laws and statutes of God … no interest should be taken on a loan of money’, or strictures against heavy taxation, could also be evaded rather easily, as told in Datini’s biography (Origo 1986, 151–7). In reality, therefore, it is rather exaggerated to introduce an ‘immense influence’ of the Church; it acts as a worldly power, and the reactions are in accordance with that authoritative position – there is nothing mysterious about it.

One may expect that the relationship DEB-confession will be explained by Aho in his paragraph entitled ‘Confession and Accounting’. It is not very helpful to provide, first, an allegorical comparison, knowing that this is ‘difficult to appreciate’ (Aho 2005, 28). He further presents three considerations: ‘Business records can be preserved in convoluted longhand; moral ledgers … can be tabulated and quantified’. Next, he states that commerce is an ‘inherently moral enterprise … This being so, commerce naturally and easily fell under the jurisdiction of the medieval Church’s
confessional regime’ (Aho 2005, 29). Last but not least, he points to what is called ‘a species of moral obsession regarding private business dealings’ which appeared within the merchant class after 1300. According to Aho, it is in this ‘context’ that ‘the moral-psychological significance of double-entry bookkeeping is best understood’ (Aho 2005, 29).

The first consideration is a new allegory, and like the second, it remains unsubstantiated. Cases of moral obsession can be found (see below), but it must be difficult, if not impossible, to prove that they should be representative of the mercantile professions or of only the rich and extravagant merchants, or that they will lead to DEB.

The extensive literature – say from De Roover to Marshall – suggests that it is the Church which accommodates to the customs in the world and uses the common, well-known forms to reinforce its own message (e.g. Christmas which originally was the heathen Midwinter feast). The same could be the case with the use of some account or list of sins in the confession: the blackboard (tavola gesata) account of every shopkeeper in Prato and elsewhere was available as a model (Marshall 1999, 69).

An obsession for money

Aho’s next chapter ‘Business Scruples’ might be expected to provide the relevant evidence but the start is not very convincing. One of the first books on DEB (Luca Pacioli, 1494) is seen as ‘behind the Bible, one of the most influential’ (Aho 2005, 31) publications. Pacioli wrote about DEB in a small part of a book about mathematics some 150 or so years after DEB practices are known to have surfaced in several North Italian cities. DEB practices proliferate outside these cities and regions at a very slow pace. Also, Aho does not mention that the bulk of the merchants and craftsmen businesses were small, often itinerant, and never practised DEB.

It is not necessary to give here a history of accounting showing the important stages in the development of DEB which is provided elsewhere (e.g. Edwards 1989; Roover 1971; Verlinden 1971; Wee 1977). The spread of DEB depended largely on the development of monetisation in Western Europe, and it was only at the end of the middle ages that money regained the full public functions which it had in Roman times:

This return was inevitable, because money is by definition [par nature] inimical to a feudal system – i. e. the execution of a private power by the possessive class. That was well understood by Aristotle in his political theory of public benefit which inspired the West of the 13th century.

(Le Goff and Schmitt 1999, 768)

Aristotle, father of the oikos-market theory, is indeed important for his support of the official moral-economic policy of the church. This does not mean that money totally lost its feudal bonds: it remained the best means to collect taxes, while it often still bears its classic symbols, cross and crown.

The obsessive accumulation of money is not only the feature of later capitalists, but certainly also of the early taxing powers and their tax-collectors. We should expect to find in Aho’s text some official Roman Catholic ‘money-policy’ supporting the need for DEB. Instead of this, Aho points to a bookkeeper’s ‘obsession … with precision and comprehensiveness for themselves’ as the most important objective of bookkeeping; no mention is made of the aid that partnerships had from using DEB, nor its role in the maximisation of profit or the calculation of expenditures and gains.
To demonstrate this obsession, Aho points to Alberti and Pacioli from whom he himself accepts ‘that it is unfair to generalise from their outlook to that of the typical merchant’ (Aho 2005, 37). With another example, the wool merchant Datini from Prato, now famous thanks to a bestseller (Origo 1986), a really obsessed person is introduced. Aho witnesses in the case of Datini ‘some of the very qualities of the capitalist spirit enumerated by Weber: sobriety, deliberation, the “avoidance of sleep and sloth” and, above all, vigilant record-keeping. To be sure, we are still some distance from Weber’s full-blown inner-worldly ascetic’ (Aho 2005, 40).

A Calvinist in fourteenth-century Italy? For Weber everything was possible in this respect: he compared the Puritan spirit of Franklin, his ‘tabular-statistical bookkeeping’ with attitudes of medieval monks and a ‘moral bookkeeping’, the ‘bookkeeping of God’ as shopkeeper, etc.: once one receives a loan from this Shopkeeper, one is happy to pay for the interest by means of all one’s good deeds, but one was never able to return the total sum (Weber 1934, vol. 1, 123). However, according to Origo’s very detailed descriptions, Datini was not a Calvinist but rather a very conspicuous consumer (Origo 1986, 261–76). After committing all possible major sins in his life, Datini gave a large part of his substantial fortune to the Franciscan monks on his deathbed (1400). In an economic sense he blocked herewith economic development by pouring it into an insatiable oikoidal economy, while provoking the notorious ‘poverty’ policy and other ambiguous attitudes of these monks (Derks 2004, 137–40, 172).

Still, the message is sent home by Aho: not Calvinism but Catholicism was responsible for capitalism; ‘it definitely provided the model for it, down to the kinds of information bookkeepers were urged to write down’ (Aho 2005, 40). In the subsequent three chapters the author tries to substantiate this Catholicism thesis, but demonstrates only conflicting interests (money, etc.) of Church institutions and mercantile ventures. Using many Latin words, suggesting the direct influence of the Church with her Roman law, and using Weber quotations at will, a strange cocktail of facts and fiction is produced. A few examples will do to substantiate this assessment.

**Commenda and common law**

According to Aho, Weber held that many forms of cooperation among merchants ‘were based on the ancient Roman law of partnership’ (Aho 2005, 48). This is impossible to conclude from Weber’s essay (Weber 1889, 45) or from the later *WandG/EandS*, where Weber writes about the victory of the English common law over the clerical Roman law (Weber 1889, 45, 151; Weber *WandG*, 563, 564; Weber *EandS*, 977). The subject of this essay is the conflict between the urban medieval family and labour bonds (*species der germanischen Gütergemeinschaften*) and the inability of the Roman law jurists to grasp the *commenda* (and similar associations) practice within Roman law formulas. Weber even sometimes uses a term like ‘nonsense’ (*Unsinn*) for the jurists’ work. He concludes, however, that the jurists ultimately assisted in separating the *oikos* (house; household) of the *commenda* participants from their work (company), indicating also that DEB has nothing to do with this separation. In Weber’s whole oeuvre this is the first indication of a principal form of the *Oikos* (*Haus, household*) development and its difference compared with the market-oriented company (*Erwerbsbetrieb*), but also of the difficult relationships within a hierarchy of small and big *oikoi*. But what is the reality?

First, notwithstanding its Latin name, the *commenda* of Genoa had nothing to do with Roman law, let alone with a Roman church. It is an original form of a self-evident organisation of merchants and merchant-families developed in order to avoid the many risks of the maritime trade and to create opportunities for many kinds of small companies to participate in the maritime trade, shipbuilding, and so on (Roover 1971, 49 ff, 75 ff.). Later this form of cooperation and
its *common law* were extended to land trade and banking activities, and a bit later it allowed the reinvestment of family fortunes instead of giving them to the Church.

Therefore, in the *commenda*, the original urban bonds and their response to the new circumstances can be studied in which, of course, the incorporation of all kinds of professionals (jurists, notaries, bookkeepers, etc.) is also at issue (Doren 1934, 429 ff. Favier 1987, 184 ff. Spufford 2002, 23, 43). This division of labour is only possible after long-term reinvestment of substantial profits in what became rather large companies comprising participants at social levels in which literacy and commercial arithmetic (*abbachista*) were commonplace.17 So, in defence of his Catholicism thesis, Aho opts for a study of the *commenda* as the outcome of the strictest oikoidal idea and organisation (Church and Roman law).

In fact, however, there is from the beginning a (large) gap between the practical activities/organisation/customs/aims/rules of the merchants, who accumulated practical and experimental knowledge, and the largely abstract activities of the church with its substantial theoretical and largely juridical knowledge as the source of most power claims. It is a gap which is never closed, but widened and institutionalised. The merchants normally do not object to the existence of a church (until the Reformation), because religion belongs to their private household (*oikos*) and not to their public business (*polis*): they fight and neglect the church as a moral authority and compete with it as an economic power if necessary, where its institutions try to intervene in their work (company) or in the very basis of their activities (the market). The institutionalisation of these attitudes follows at the moment that the household and business of the merchants become separated, church/religion are perceived as something of ‘the other’, and the businesses of the church/monasteries are simply treated like competitors (as, for instance, in the banking business of those ‘poor’ Franciscan friars or of the Vatican) (Fischer 1996, 11 ff.).

Also, there were partnerships among the petty shopkeepers. However, they concerned activities like the sharing of ‘administrative tasks such as supervising and paying employees and acquiring building materials from suppliers and haulers’ (Marshall 1999, 37). Each partner also worked on the job as a skilled artisan, but a formal *compagnia* with a fixed capital did not exist. There is occasionally a capital fund (*corpo*), but one of the partners who is asked to fulfil his financial duties to this fund ‘paid this not in cash but in work over the next two months’ (Marshall 1999, 37). Such a *corpo* exists mostly to pay for raw materials in advance (building material for masons, etc.), while at the same time their unpaid wages accumulated as credits on the capital account. Wages did not differ very much: unskilled s. (soldi)10 per day on average, skilled s. 13, and top wage for the partners of s. 15.

We can therefore conclude that, below the level of the risk-avoiding *commenda* (common law) (Berman 1963, 352 ff.) and far below contractual constructions based on Roman law, there existed the many practical, rather short-lived market deals. A large market for money existed, but divided into small amounts; a large market for labour also, but divided into small wages; undoubtedly the largest market was for all kinds of products, but divided into relatively small amounts; and so on. All in all, it is a rather free exchange with nearly no juridical interventions from outside to limit its movements. All levels indicated above had their own bookkeeping methods. But what was the role of DEB?

**A papal revolution?**

In his last chapter Aho makes much of the immense influence of a Papal Revolution of the twelfth and thirteenth century, a concept which he borrowed from the highly interesting book by Harold
Berman (1963), Aho (2005, 84):

The Papal Revolution also effected the modernization of medieval commerce. This, in two ways. First, it provided (an admittedly porous) moral and legal umbrella under which merchants could ply their trade with some security. Second, it inspired the practice of modern bookkeeping, without which capitalism as we know it today would not be possible.

In his chapter on Mercantile law, Berman supports, in fact, my socio-economic argument relative to the given antagonisms between the mercantile practices/the merchant’s knowledge and the Church rules/abstract theories. He states that the:

mercantile community had its own law, the lex mercatoria, just as the church had its own law, the jus canonicum … When the two bodies of law conflicted, it might not be clear which of the two should prevail … Only time could mediate the conflict … The merchants constituted a self-governing community … From that historical fact are derived all the characteristics of the new system of mercantile law.

(Berman 1963, 346)

There were separate courts, separate procedures which ‘sharply distinguished commercial law from the formalistic procedure of urban and royal courts and also from the written procedure of the canon law in ordinary cases’ (Berman 1963, 347). Berman also describes extensively how this mercantile law (belonging to common laws and not to Roman law) spread across Western Europe. Furthermore, he does not support the thesis that the Pope was responsible for DEB. On the contrary, Berman rightly points to the autonomous development of mercantile law, including its own professionalisation, and that in addition ‘to notarial records, bank ledgers and cartularies of ships also had legal force, and even merchants’ accounts were admissible in evidence’ (Berman 1963, 355). No direct remark about DEB were found in his study. But all this does not mean that the invention or development of DEB must be found in mercantile circles only.

**Theologian’s non-conformism**

Roman Catholicism contributes not to the invention but to the conceptual development of DEB, but this was not achieved by the religion as such and not even by its main ideologues like Thomas of Aquinas to whom Sombart and Aho so often refer. I want to pin-point certain theologians who acted as the first medieval economic theorists. They could have been found by posing a simple question: Why did an original and professional outsider like Pacioli have such an intimate knowledge of the daily dealings of merchants and shopkeepers? An answer touches on the very intellectual, social and political background of DEB and arrives at the heart of the subject of this article.

The clue is that Pacioli wrote the pages about DEB as a Franciscan monk in a period that his order, famous for its claim of eternal poverty, possessed an immense wealth of urban and rural real estate in western Europe. It also owned many banks which were fighting for the financial souls of Venetian and other shopkeepers and bigger players, while succeeding in driving out or ghettoising their strongest competitors, the Jewish bankers. It must have been a great advantage for these holy banks, which already had detailed insight into the financial and social position of their customers, to receive Pacioli’s instructions as a means to transform the rather ‘desperate’ bookkeeping of their customers (Marshall 1999, 63) into an orderly and, in particular, controllable overview of the changes in their customer’s capital and households. The risks of their loan activities could be mitigated and – probably more important – it would give the Franciscans an enormous advantage in the permanent competition between the several spiritual orders in their quest for heritage, real estate and in other policies.
There are reasons why Pacioli’s *Summa de Arithmetica, Geometria, Proportioni et Proportion- alita* is important, however, quite apart from his treatment of DEB which covers only part 1, section 9, treatise 11 of the book. Pacioli combines his status as a well-known Franciscan monk with that of an outstanding mathematician within a remarkable Franciscan tradition which stretches back at least to the thirteenth century. It is a tradition of theologian-mathematicians who had a strong interest in ethics, economic exchange, in some theory of money, and who often worked as radical thinkers on the margins of, or strongly opposed to, mainstream theology and the Roman Catholic church (Little 1978; Noordman 1996). In the space available, only some brief remarks about these non-conformists are possible.

First, the mathematical tradition. It is difficult to doubt that Pacioli must have been strongly influenced by the scholastic-Aristotelian ethics, which conceptualised justice in a highly mathematical way. Aristotle writes, for instance, in his *Nicomachean Ethics*: ‘The just, then, is a species of the proportionate (proportion being not a property only of the kind of number which consists of abstract units, but of number in general)” (quoted by Kaye 1998, 40). Herewith Pacioli’s book is provided with a remarkable classic background by a main work of the arch-father of any Oikos-theory.

In addition, the essence of *Nicomachean Ethics* encouraged the use of numbers as a practical aid in the description, analysis, and measurement of real phenomena. Justice was separated by Aristotle into two forms: a distributive and a corrective or directive one. The former concerns ‘the distribution of common goods by a central authority in proportion as the recipient had proved himself worthy of reward through service’ (Kaye 1998, 41). The quality of service and virtue is inherently unequal and, therefore, distributive reward must also be unequal. In this mathematical way of thinking, this kind of justice asks for a ‘geometrical equivalence’: greater service receives proportionally greater reward. Possibly with this in mind, the Franciscans gave a numerical definition of the communities in which they settled in order to know whether a ‘holy investment’ was appropriate (Little 1978, 25, 150 ff.). The corrective-directive justice, however, is determined by an ‘arithmetical equivalence’. As Kaye (1998, 42) puts it:

The intermediate point between gain and loss is found through the arithmetical process of addition or subtraction to an imaginary line of gain and loss. Directive justice is also called ‘rectificatory’ and ‘corrective’ because it applies to those cases in which balance is restored by a judge or intervening orderer.

This could be substantiated further, but in my view Pacioli’s work including his DEB instructions is a perfect demonstration of these scholastic-Aristotelian thoughts on ethical-mathematical subjects. In other words: DEB is used as a demonstration of proportionality, but the question is which one.

Turning now to the economic tradition. Mainstream theology was largely characterised by its oikoidal ideas and christened Aristotelism, taking a middle-of-the-road position relative to profit, money, trade, etc. But, for instance, the Franciscan Peter Olivi (1248–98) positively accepted current mercantile practices and criticised both Aquinas and Aristotle, despite being a leader of the rigorist party of Franciscans who, among other things, were sworn to poverty and opposed to Franciscan ownership of property. (Kaye 1998, 117 ff.). Olivi used a concept capitale which allowed him to accept interest on invested money if an ‘equivalence’ with a lost profit was at stake. He was concerned with looking for an ‘explanation of how the productive labour of the merchant is transferred to money itself, turning sterile coin into fruitful capitale’ (Kaye 1998, 123). Olivi saw ‘the market as a mechanism of equalization, that ordered itself independently of the intention of its individual participants’ (Kaye 1998, 126, italics in original). The old and the new became connected with the stronger stress on the latter: no limits on market-determined behaviour as
favoured by Aquinas, because free operation of the market was rational and constructive (high prices for grain during famine, because possessors of grain will sell it more quickly instead of condemning these high prices and continuing to suffer).

People such as Olivi, with a high level of market understanding, were no exception in Franciscan circles, but one year after his death, a number of his works were condemned and burned; later all his works were forbidden. Raymond De Roover’s hero, Bernardino of Siena (Kirshner 1976), popularised Olivi’s ideas by simply copying his statements on value and price determinations, notwithstanding their earlier condemnation (Kirshner 1976, 28 ff.; see for another Bernardino, Aho 2005, 6, 46). Several other Franciscans such as Duns Scotus (1266–1308) and Nicole Oresme (1323–82) further developed Olivi’s economic theories using the equalisation concept, which was now more clearly a process of supply and demand, i.e. mutual agreement between the parties on a just value of the things exchanged. The market has to do its work. This led to an important debate among Franciscans about whether a society has to rest more ‘on the virtuous activity of men or on the strength and enforcement of positive law’ (Kaye 1998, 130). A concept of a market system was formulated in full opposition to the Christian-Aristotelian oikos-model: a self-ordering market in which equality could result as a product of willed inequalities.

On the above question of why Pacioli had such a detailed knowledge of the market, several answers can now be given: because the daily banking activities of the Franciscan order in Pacioli’s time provided him with those data; because to serve the interests of the Franciscan banks, he had to personalise his instructions as a matter of customer-binding and to translate abstract geometrical principles into comprehensible language; because he knew the alternative Franciscan geometric-economic writings in which many of these daily details were discussed.

One may expect that in Pacioli’s time one could be more open in assessing the necessity of profit (which he did), while not deviating too much from the Aristotelian-scholastic principles. Therefore, how influential ‘Franciscan market economics’ was compared with the dominant oikos-household economics is an interesting question (Noordman 1996, 11–5). More important here is the clear Oikos versus Market debate at a theoretical level in questioning the hegemonial position of the oikoidal powers. That supporters of the market were persecuted and their books burnt and that these persecutors focused on equilibrium and the establishment of equivalence as the proper motive and end of exchange (not profit and the desire for gain) belongs to the medieval balancing act. DEB was one of Pacioli’s examples to demonstrate simple balancing, proportionality, equivalence between gain and loss, credit and debit (Waal 1927, 58). As such it ‘equals’ an economic-theological statement, oikoidal geometry. Pacioli’s room to manoeuvre intellectually was not that large. One cannot forget that at the time he wrote his treatise, the Contra-Reformation and the economic shift from the Mediterranean to the North Sea were under way.

IV. Conclusions

The question we have tried to answer is: what should be the historical basis nowadays for our understanding of the relationship between western religion, capitalism and DEB? Around 1900 a false start was made with an extensive discussion in historiography, economics and theology, which all had to give rather prosaic activities like bookkeeping some pivotal role. Therefore, theoretically and historically, we first had to negate the effects of this false start to provide the answer. This became the first aim of this article. The findings and observations are as follows.

1. One of the main reasons why discussions went wrong around 1900 were the serious misunderstandings about the definition and meaning of capitalism and its fundamental difference
from capitalist production (c.p.). The former is an ideologically oriented mix of Oikos-State bureaucratic and monopoly capital activities with global-imperialistic aims; it started after ca. 1860 in western Europe and the USA. The latter is only related to private techno-economic ventures with limited competitive aims directed at making profits with mass goods for specific mass-consumer markets. It developed from ca.1750 onwards, first in France and England. Who/what dominates in the capitalism mix is different between nations: in Germany or France, for instance, it’s the state bureaucracy; in the UK and the USA it’s rather the monopoly part.

It must inevitably follow that this capitalism cannot have existed in medieval North Italian cities and regions, or elsewhere. Elements of capitalism may be discovered in an earlier period as, for example, monopoly practices or radical oikoidal (absolutist) state activities, but never the combination of them, the scale, nor the scientific-technological quality or the ultimate aim – selective political-economical world domination which was never the aim of c.p.

This means, of course, that the relationship religion-capitalism-DEB could not develop until after 1860 and only in western Europe (in the USA after the Civil War), from which it spread around the world through imperialism and two World Wars.

Therefore, a chronology other than the very popular one of Sombart (early, high and late capitalism) or Weber’s ‘Evolution’ is necessary. My proposal is the following. After the so-called ‘fall of the Roman Empire’ or end of the Ancient Economy: West European monetisation (ca. 500–1500), West European oikodalisation (ca. 1500–1750), West European capitalist production (ca. 1750–1860), west(ern) (European) capitalism (ca. 1860–1960). These periods do not represent an evolution as given in Sombart’s periodisation or Weber’s Evolution der Hausgemeinschaft: they represent the dominant feature of a period (money, state, mass production, world domination) which was developed and learned by trial and error/terror, and this in the sense that all former periods were incorporated and further developed within the following ones.

2. Germany following unification in 1870, Weber’s and Sombart’s Germany, provides the ‘ideal typical’ background of capitalism as defined: an always belligerent Oikos-State with political monopoly claims, legitimated in an extreme way by Lutheranism, Roman Catholicism or racism (Geulen 2004) and in close cooperation with big industry and the banks (from Rothschild’s and BASF to Krupp and Deutsche Bank) with economic monopoly claims. The first overrules its subjects with compulsory directions to use DEB, while the second overrules its competitors by placing the C.p.’s in economic dependency relations to use DEB. The very German capitalism theories of Weber and Sombart are intended to legitimate this German ‘marriage of convenience’ called capitalism, while their critical content is aimed at pushing the economic ‘partner’ in an oikoidal direction or to transform an open into a closed market of/for C.p.’s.

3. There is still room for a capitalism theory (although not the Marxist so-called Stamocap – state Monopoly Capitalism-theories). Weber’s Haushalt(en)-Erwerb(en) concepts and oikos-market theory are interesting, but not the socio-theological analyses of Calvinism, Catholicism or Judaism. They provide us with theoretical and historical analyses to make a modernised Aristotelian theory of the oikos-market relations possible.

4. From the discussion so far, one may conclude that the market is not only an attractive location for most people in the world, but in its basic supply-demand mechanism was certainly also the fundamental precondition for people to become zoon politikon, human beings fit to live in some public or private community (polis or oikos) with others. The strong negative attitudes against market are a product of the late nineteenth and early twentieth-century equivocal anti-capitalism from many directions. The Churches’ anti-capitalism has a tradition in the medieval Christian-Aristotelean anti-money attitudes,
but *market* concerns also products, labour (manual and spiritual), resources, services – in short, everything which is subject to supply and demand. Even gods cannot be rescued from the *market*.

5. Weber’s *Evolution der Hausgemeinschaft (Oikos)*, with its network of ideological dichotomies, should be used only as a heuristic tool to study why and how things can become related to each other. To receive the status of a realistic economic-historical model, it should be combined with a famous largely non-ideological relationship, that of town versus country. Most great nineteenth-century thinkers, including Marx but not Weber, perceived the change of this relation as one in which the ‘whole of the economic history of society’ is summarised (Derks 1986, 11–50).

The changing fate of the combination of *oikos*-market with town-country cannot only be a matter of evolutionary change. Also important is which ‘form’ has a hegemonial or dominant position, what is the degree of negation of the market elements at stake, or under which conditions did this negation take place? The evolution/revolution of the relationship *oikos*-market is the most relevant: *Oikos* against Market is the rule in European history, and this makes it rather exceptional that at the end of the nineteenth century a ‘marriage of convenience’ between these arch-enemies created capitalism. At the same time, however, there is a clear and sometimes strong mutual dependency, a mutual fascination also with/for the market. However, those who are able to negate its ideological content and perceive the *oikos*-market dichotomy as a changing relationship can fruitfully use it even at the individual level. The following quotation from Friedrich Engels can suggest this. He wrote to his friend Karl Marx (3 April 1851) in what Chiapello (2007) called ‘accounting language’:

> In commerce, the merchant as a firm, as a producer of profits, and the same merchant as a consumer are two entirely different people who confront one another as antagonists. The merchant as a firm means capital account and/or profit and loss account. The merchant as a guzzler, toper, householder and procreator means household expense account. Hence the capital account debits the household expense account with every centime that makes its way from the commercial to the private purse.

>(quoted in Chiapello 2007, 289)

It is the beginning of a study into the different accounting concepts typical of *oikos* and market.

6. In an *oikos*-market relationship, many levels of bookkeeping must be seen as *existing together*, often changing in mutual relationship. In the *markets*, most itinerant participants were using next to nothing, the blackboard (*tavola gesata*) employed by shopkeepers for several forms of single-entry and merchants’ bookkeeping. In the many kinds of *oikoi* (plural of *oikos*), household memoranda or manor, monastery and bailiff accounts to cameralistic bookkeeping and national accounts/state budget accounting were used (Bryer 2000b, 329, 330; Chiapello 2007, 271; Slicher van Bath 1963, 176 ff.; Slicher van Bath 1978). Until the end of the nineteenth century, DEB is used in principle in elite institutions in a market as well as oikoidal realm. Then DEB’s second function was stressed in legislation and practice, namely as strong means of control of C.p.’s and other ‘lower’ market ventures by State-*Oikos* and market monopolies, despite the fact that oikoidal (government) institutions slowly adopted DEB themselves.

7. DEB, as such, developed in late medieval and early modern times in North Italy, the Netherlands or Spain. It was not invented but was a *result of several accounting elements* with rather contradictory histories. The idea that DEB has a relation with Roman Catholicism as a belief system and its core rituals (sacrament of confession; guilt-punishment mechanism) is
untenable. Pacioli combined theoretical and practical elements, including some which were overlooked until now, like those arising from the mathematical and economic tradition of Franciscan nonconformists. Furthermore, there are the elements from the market and household (oikos) nature; from sedentary and nomadic sources. Also the elements which are developed in the practices of trading activities in the broadest sense of the word (from small shopkeepers to itinerant merchants), production enterprises or intermediary institutions like banks and money-lenders. From the start, DEB is also perceived as a means to control the financial activities of DEB owner(s) by state or powerful municipal governments and financial institutions.

8. The question discussed above was: what should be the historical basis nowadays for understanding the relationship between Western religion, capitalism and DEB? The shortest possible answer is: none.

- From the religious point of view: because (after Calvinism and Judaism) Roman Catholicism as a belief system also has no immanent relationship with capitalism and/or DEB, the question concerns a non-relationship and provides no historical basis for such a possibility. Religious institutions can only function as an external legitimiser or critic; if they act as an economic player in the market, as is often the case, they only exploit their status as a belief system. The only monotheism left, Islam, could be promising in this respect, because ‘the West’, according to some authorities, learned DEB from the early Arabs (Braudel 1982, vol. 1, 472; vol. 2, 555ff. 572ff.).
- From the DEB point of view: there is certainly a theoretical relation between DEB and a specific medieval non-conformist economic thinking (at that time, the framework for all studies was by definition ‘theology’, which does not say anything about a Roman Catholic belief system). There is no proof for the Weberian-Sombartian thesis that a cause-effect relation exists between DEB and capitalism, let alone between DEB and capitalist production (c.p.).
- From the capitalism-as-defined point of view: in all probability this capitalism has created through DEB a rather mighty means of control of the individual c.p. and other market institutions, a tool which is still not used by most or all oikoidal institutions including state institutions, but which is on the brink of transformation into an all-embracing information system in the hands of the State-Oikos.

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Notes

1. It seems as if the subject has become ‘hot’ since several other related publications are published such as the representative of an American sect Rodney Stark (2006), which is not worth mentioning thanks to its purely propagandistic aims. His thesis is, that only devout Christians (medieval monks) brought us capitalism and the scientific revolution that powered it. The European Roman Catholicism has a different opinion. In May 2007, Pope Benedict XVI visited Brazil to fight its main competitor, American Protestantism, but condemning time and again ‘capitalism and Marxism as systems that marginalize God’. A variant of all this is the thesis that capitalism is a religion, see Ching-Wah Yip (2005). However, a quick look in relevant scientific literature presents also an ambiguous picture: Rosenberg and Birdzell (1986) repeated largely Weber even inclusive the DEB and Calvinism stories (ch. 4); Fischer (1996) is informative, but does not mention DEB, Weber, etc.; Braudel (1982, vol. 2, 572 ff.) is critical about all those ‘who overstep the mark’ in their lyricism about DEB; Muller (2002) is relevant for Weber, Sombart and religion, but not for DEB.
2. Here, of course, I cannot go into detail, while pointing to the usual definitions of fixed, circulating capital and, the day-to-day name of some stock of money (in whatever form) as capital. Capitalist is first used in 1792 for somebody who has capital available for employment in reproductive enterprises and capitalism is used for the first time in 1854 (Oxford English Dictionary). It’s clear, however, that a phenomenon can exist before there is a name for it. The new development was that earlier features with their own history were combined into a brand new framework. Apart from a few conceptual problems, Sombart listed its qualities rather appropriately and they are reproduced by Chiapello (2007, 278, 279). But it is, for instance, never proved how ‘a spirit … created economic organization’. Directly referring to Max Weber, the economic historian Joel Mokyr even acknowledged that there were numerous precedents, but that ‘Industrial Revolution meant the ever-growing physical separation of the unit of consumption (the household) from the unit of production (the plant)’ (Mokyr 2002, 120; see also Boltanski and Chiapello 2005, 154 ff.). About this separation see below.

3. Wirtschaft und Gesellschaft is referred to in this article as E&S, with the English translation Economy and Society as E&S.

4. See Derks (1989, 282–97). Weber’s conservatism can be proved, because he defends the oikoidal position in most principal matters (see below). His liberal image in the USA is established by Talcott Parsons, Edward Shills, Reinhard Bendix a.o. who created Max Weber erroneously as an anti-Marx (Marx was a typical c.p. critic/analyst); in Germany in a reaction upon the ‘Roaring Sixties’, the same image is established in the writings of Wolfgang Schluchtter, Guenther Roth, or Wolfgang Mommens, which revived and strengthened the Parsons-tradition in the USA.

5. The criticism of supporters of this radical liberalism and free-trade since Richard Cobden (Corn laws, etc.) was concentrated in Germany since Friedrich List and supported by a large part of the conservative feudal lords with an extensive grain trade. Marxists of all corners like Lasalle, ‘normal’ conservatives (including Bismarck) who feared for a total undermining of the society through free and uncontrollable trade. In England used Disraeli ‘Manchester capitalism’ in a pejorative sense. At the moment, the term ‘Manchester–Liberalism’ is used as synonymous for ‘predator capitalism’ (Raubtierkapitalismus). Anti-Semitic circles used it as synonymous for ‘Jewish capitalism’ since about 1870 (Doering 2004).

6. There are, of course, many kinds of monopolies also in earlier times. Bergier (1979, 123 ff.) wrote interestingly about the differences of the Italian and German business organisations of the fifteenth and sixteenth centuries. He concluded, first, that the Italian firms were organised in a decentralised way (main firm + autonomous branches), while the German firms were centralised. Next, as a structural innovation, the Germans emphatically formed cartels and monopolies. A few were also known in Italy (such as the monopoly of papal alum held by the Medici), but in Germany they became a structural element in the hands of merchant bankers: ‘a new concept in business strategy: they expressed the capitalist mentality of their members’. These monopolies were the result of deals between the state (emperor) and privileged bankers. Bergier also mentions that these monopolies were ‘the object of violent criticism and of suits … conducted by business circles … which had not absorbed the modern capitalist spirit’. The undermining of the market by means of monopolies, was felt very well as an aberration. That this should be typical for a capitalist spirit is only true for capitalism as defined in the main text. See also Weber W&G, 648; E&S, 1102 in which Weber showed a better view on the anti-market effects of monopolies in the oikoidal patrimonialism as Bergier. More than elsewhere, I suppose, in the German countries this relation state-capital-monopoly or state corporatism was practiced. For the eighteenth century see recently. Ogilvie (1997) or Kriedte (2007); for the twentieth century everybody knows the names of Krupp, Thyssen, Quandt, Flick and so on.

7. The oikos-market mechanism is analysed for the first time in my thesis (Derks 1986, 42–101, 413–56, 479–88, 640–54). It is followed by several other studies. See www.hderks.dds.nl. To study Weber’s oikoidal analyses one can best start with chapter three of Weber, W&G, 212–33 or the chapters three and four of E&S, 356–85. The translation in the American edition is not very well (see below); for further study it is unavoidable to use the German original. One of the best introductions to Max Weber’s theories and ambiguous language is still Bader et al. (1976). For the next discussion see his pp. 261–308.

8. Strongly inspired by Rodbertus (ca. 1850) and Bücher (ca. 1890), Weber, Polanyi, Finley and many others, continued until today with a debate about the Ancient Economy known as oikos-controversy. It is a pity that only classical historians with their supporters are interested in it. See criticisms on Weber/Sombart in Derks (1995, 193–96) and on Finley and supporters in Derks (2002, 701–35). For accounting practices in Roman times see Minaud (2005) who discusses Finley’s approach rather superficial.

9. That Weber and Sombart often disagreed is demonstrated in a quarrel about exactly the interpretation of Alberti’s ‘Famiglia’. See the very long note in Weber’s well-known essay about the Protestant ethic and the spirit of capitalism (Weber 1934, vol. I, 38–41). One is confronted here also with all the given dichotomies in a comparison between the Catholic Alberti and the Puritan Benjamin Franklin. Boltanski and Chiapello (2005, 59) state that their view of a ‘spirit of capitalism’ is ‘consistent with that of Werner Sombart or Max Weber. Sombart refers to Alberti ‘family
government’. Weber supplies a preliminary description of the spirit of capitalism by citing ... Franklin’. Apparently ‘business’ and ‘family economy’ are for them identical. In Idem (p. 100 note 4), however, they tell about differences between Sombart and Weber concerning Alberti.


12. Rechenhaftigkeit is a word which one cannot easily find in a present German dictionary. ‘Haft’ means among others ‘arrest’; somebody can be ‘haftbar’, in which case he has to give security for another, is ‘accountable’. See for the following Weber, W&G: p. 41. In E&S one translates ‘economic calculations’ although it concerns here the general ability to reckon: E&S, 79; Weber, W&G, 225, 227–30. It is already better translated with ‘sense of calculation’, E&S, 374, 376–81.

13. Rentabilität like rentability concerns the measured result of the relationship between the net-profit (Reingewinn) and the invested or original capital of a venture: a ratio of profit to capital, therefore, and not the profit itself. The other concept discussed here, capital account, is normally seen as part of the balance of payments of a country, the net result of public and private international investments flowing in/out a country. For a private firm it concerns something like an account stating the amount of funds and assets invested by the owner(s) or stockholders, including retained earnings. The translators of E&S (in this part Talcott Parsons himself) do not inform readers about the typical German background or ideological intentions of these concepts.

14. What is left from that debate is not only Aho’s essay, but are also profound discussions about the tiniest details of Weber’s biography by life-long Weber researchers like Wolfgang Schluchter, Günther Roth, etc. Furthermore, there are hesitating considerations of desperate theologians about the dark future of Christianity and Christian culture as given in Schluchter and Graf (2005). Here you can find near to nothing about capitalism, nor about a capitalist production or the Haushalt-Erwerb dichotomy, let alone about DEB, while it was a 100-year commemoration of the publication of Weber’s Geist des modernen Kapitalismus (1904–5) written by the best German Weber-experts to date.

15. Yamey gave a sharp criticism of an earlier article of Aho (Yamey 2005). My comments below follow a different argument, but I agree with Yamey’s views. The article reviewed by him is largely similar to Aho’s chapter 7 in his new book; it concerns the alleged rhetorical and aesthetic qualities of DEB. To save space, therefore, it is not necessary to deal with that chapter again.

16. The author is inaccurate and clearly unfamiliar with foreign languages: he seldom attaches an ‘ä’ where it is necessary in German language (Aho 2005, 9, 52, etc.); the Latin formula on p. 42 must be ego te absolvo; the citation from Berman’s book on p. 84 is at least on three places wrong; the title of Simon Stevin’s book is nothing but Verrechting van Domeine (p. 90); Aho mentions Alberti’s work Del Governo della Famiglia which seems to be written in 1443 in stead of about ten years earlier (pp. 6,7), etc.

17. There is no reason to underestimate the literacy of the merchants as Sombart did (Roover 1971, 89).

18. I do not discuss this last date: it concerns the independence of most colonial countries and the subsequent rise of non-Western countries and non-Western capitalism (Korea, Vietnam, Iraq, rise of China and India, etc.).

19. Highly interesting is Michael McKeon (2005) who from p. 7 onwards uses the polis-oikos relationship and Aristotelian theory to develop a much more complex household concept and practice including the state as family/household. This voluminous study (nearly 1,000 pp.) concerns mainly the English seventeenth and eighteenth centuries.

References


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