International Journal of Humanities and Social Science Review; Vol. 5 No. 3; October 2019
ISSN 2415-1157 (Online) ISSN 2415-1335 (Print)
Published by Research Institute for Progression of Knowledge

Revolutionary Economics in Principle and Practice: John Wesley and Hans Nielsen Hauge and Their Religious Movements

Bruce R. Dalgaard
Visiting Professor of Economics
Carleton College
Northfield, MN
&
Professor of Economics
Hauge School of Management
Oslo, Norway

Magne Supphellen
Professor of Strategy and Management
Norwegian School of Economics
Bergen, Norway
&
Professor of Economics
Hauge School of Management
Oslo, Norway

Abstract

Economic thought in Europe has long been influenced by leaders of religious movements. We compare the economic principles and the movements of two prominent leaders: John Wesley in early eighteenth-century England and Hans Nielsen Hauge in late eighteenth-century Norway. Their economic ideas were revolutionary at the time and provoked the established powers among business, clergy, and autocracy. Although both had different backgrounds, appealed to dissimilar groups, and operated in different societies, they drew on the same sources in their economic thinking and developed similar economic principles. While their ideas were overlapping, their responses to the pressure of the establishment and their involvement in transforming principles into practice were quite different. Consequently, Wesleyan and Haugian thinking had disparate economic and social implications in the two countries.

Keywords: Economics, religion, economic thought, Norwegian and English history.

1. Introduction

John Wesley and Hans Nielsen Hauge were kindred spirits if not actual contemporaries—Wesley was born in 1703 and died in 1791 and Hauge lived from 1771 to 1824. They had similar 'conversion' experiences that launched them onto a path of preaching and teaching and brought them into conflict with the religious establishments of their respective countries. Embedded in their message was a strong economic component; both preached economic reform that was populist in its orientation, much in line with the empowering religious message they delivered. In early eighteenth-century England and late eighteenth-century Norway, the economic changes promoted by Wesley and Hauge were revolutionary and, perhaps as much as their religious teachings, brought upon them the wrath of the power structure.

While the circumstances surrounding their moment of spiritual truth were similar, their origins, their upbringing and religious training, their financial circumstances, the way they maneuvered through the minefields of religious life, and, especially, the manner in which they sustained their movements were dramatically different. Identical for both men, however, was that they were at the margin of the dominant religion in their countries and, as a result of their activist preachings for social change, suffered scorn, persecution, and, in Hauge's case, imprisonment.

What is different about these two men is not so much the content of their economic ideas; they were to a great extent similar. Both argued that people had worth in God's eyes and, as such, they were entitled to and capable of achieving lives of worth. Rather, Wesley's early revolutionary economic thinking gave way to a more conventional approach to the economics of his time. Eventually, his revolutionary economic ideas were co-opted by his followers into a message that was acceptable, and even embraced, by England's socio-economic power structure. In contrast, Hauge did not deviate from his economic ideas. In fact, Hauge's revolutionary economic thinking became an essential element of the transformational spiritual message he developed and delivered.

The question that arises is, why did Wesley and Hauge begin with similar economic messages for change but deviate in their paths? Certainly Wesley was under extreme pressure to maintain a 'more legitimate' and less threatening movement by avoiding any challenges to the economic establishment. Hauge faced the same pressure, but he persisted. Some observers might argue that Wesley was fearful of being ostracized by the Anglican Church and thus sought ways to sustain his movement less as a threat than as a modification of established religious thinking. Hauge did not seem bothered by this threat. Although we include this argument in our discussion, we focus more on the mechanisms for socio-economic change that were so much a part of Hauge's work but absent from Wesley's economics.

Wesley's ideas were mostly abstract—revolutionary in theory—whereas Hauge's were more realistic—revolutionary in practice. Hauge had a strategy for implementing his empowering economic message. He was an economic entrepreneur and created a network of entrepreneurs, empowering his followers with an uplifting religious message but, more important for our analysis, also a sustainable economic plan that stressed personal economic empowerment. Intriguing to us is the way that one religious rebel talked of economic change but only intermittently acted on it, while the other gave life to a new economic way of being. How was Hauge able to develop a meaningful economic message, create a strategy to implement it, and, finally, implement a mechanism to sustain that strategy? The way he did this is what separates Hauge's revolutionary economics—a transformational economic way of life—as ideas in practice from Wesley's equally revolutionary message, which remained mainly abstract and theoretical.

2. Background on Wesley

Wesley was born in northwest Lincolnshire, where his father, Asmuel, served as Rector of Epworth. At age 10, Wesley was sent to London to begin his formal education (Charterhouse School). He received a scholarship from this school that enabled him to enroll at Christ Church, Oxford University, in 1720. He graduated in 1724 and remained at Christ Church to study for his Master degree. In 1726, he was elected a fellow of Lincoln College. With the exception of a brief period from the summer of 1727 to autumn of 1729 when he served a curate to his father at Epworth and preached in nearby churches, Wesley remained at Oxford until 1735.

Wesley's life began to change in 1735, when he left Oxford for the new American colony of Georgia (arriving early in 1736). It was on the voyage across the Atlantic and then in Georgia that he encountered Moravian Christians whose ideas greatly influenced his religious thinking.

> Wesley's time in Georgia has often been seen as a preparation for his conversion. But the experiences he passed through while there—preaching, hostility, Sophia Hopkey (a young woman with whom he developed a deep affection which he nurtured even after she married), the Grand Jury (calling into question his behavior with Sophia), and the Moravians—were not simply a prelude to his conversion, but all combined into an experience that, although also leaving him depressed, caused him to feel that God had 'humbled me and proved me, and shown what was in my heart' (Waller 2003: 43–44).

Wesley returned to England in 1738. It was in the months following his return that he fell into a deep depression, feeling he had failed to fulfill his calling. It was amidst this period of deep reflection and self-criticism that Wesley experienced his 'conversion experience.'

> In May 1738, struggling with his depression and sense of failure from the years in Georgia, Wesley opened his New Testament at random and his eyes lighted upon the words 'Thou art not far from the kingdom of God.' In the afternoon he went to St. Paul's Cathedral, where the choir sang the anthem based on one of Luther's favourite psalms, 'Out of the deep have I called unto thee, O Lord.' In the evening he went 'very unwillingly' to a Society meeting in Aldersgate Street where one of the members was reading Luther's 'Preface to the Epistle to the Romans.' Wesley recalled: About a quarter before nine, while he was describing the change which God works in the heart through faith in Christ, I felt my heart strangely warmed. I felt I did trust in Christ, Christ alone for salvation; and an assurance was given me that He had taken away my sins, even mine, and saved me from the law of sin and death.[1]

Wesley's life, in fact Wesley as a person, would never be the same. And, though it was impossible to tell at the time, this was the beginning of Wesley's Methodist movement.

3. Background on Hauge

Hans Nielsen Hauge was born in 1771 in the small community of Rolfsøy in Tune parish (approximately 50 miles from Oslo between the Oslo-fjord and the Swedish border). Hauge was raised in a deeply religious and highly literate household. "The bookshelf in the Hauge parlor tells a great deal about that home and the spiritual milieu it shared. The Bible was there, and well-read. Luther's *Small Catechism*, Pontoppidan's *Explanation*, and Kingo's *Hymnbook* were faithfully and reverently used" (Shaw 1979: 19).

In his 13th year, Hauge nearly drowned when the boat carrying a load of hay capsized. His near-death experience seemed to deepen his faith and his diligence in reading and studying the Bible. Several biographers note that the young Hauge showed some aptitude for trading, usually tools he made in the farm's blacksmith shop or cabinets he crafted from trees he felled.

Through his own writings, we know that Hauge's early years were filled with an inner struggle regarding the way of salvation. He was well-schooled in Lutheran doctrine, but this was not the source of his struggle. "He understood that a living faith could not result without a true conversion. It was his very knowledge of the ways of God with men that made Hauge hesitant for he knew that God must work. Unless God reached him, there was not hope" (Shaw 1979: 19).

In 1795, Hauge left rural Rolfsøy to work in the nearby city of Fredrikstad. The pious farm boy was often mocked by the more worldly workers of this small city. Somehow this experience strengthened Hauge's resolve to be one with God, and he turned even more to the scriptures for understanding and affirmation. He returned to the family farm the next year, and it was then that Hauge's conversion experience or spiritual breakthrough occurred. Shaw (1979: 19) notes,

> The picture of Hauge immediately before this experience is one of a serious young man wholeheartedly devoted to finding his way to inner peace. He read his Bible and devotional books. He talked with others about faith and was mocked for being 'holy.' He saw God's creative power all about him. He reflected on God's goodness and greatness. He saw clearly how useless worldly recognition and honor would be when death came. He was often in prayer to God, dropping to his knees wherever he was.

That fateful day in April 1796 Hauge was singing one of his favorite hymns as he worked in the fields of the family farm. As he finished the second stanza, his "heart was so uplifted to God that I don't know nor can express what took place in my soul.... [N]ow I felt that no worldly thing was of importance.... [M]y soul felt something supernatural, divine, and blessed.... I had a completely transformed mind, a sorrow over all sins, and a burning desire that others should share the same grace."[2] As with Wesley, Hauge was transformed by this conversion experience. It propelled him into a public life of preaching and publishing and brought him into regular conflict with the establishment authorities.

4. Spiritual awakenings in different settings

Here are two men, both deeply religious, but with such different socio-economic backgrounds. Both felt this calling, this intense drive, to reach out to others, to bring them God's love, God's 'good news.'

[1] Wesley's Journal from 4 January 1739, as quoted in Waller (2003: 49).
[2] Hauge, as quoted in Shaw (1979: 23).

The environments in which they were called to serve were distinctly different, and the approaches they took reflected these environments, their own backgrounds, and, to a great extent, how they saw themselves doing God's work.

The economic conditions of Wesley's England and Hauge's Norway were distinctly different. England's industrial revolution was in full swing and the country was experiencing the economic boost that industrialization brings. Norway was still years away from its economic transformation, still struggling under the yoke of Copenhagen's control and the vacillations that plague an agricultural- and resource-based economy. Both, though, were in the throes of emerging discontent, largely, though not exclusively, related to the dominance of one religious tradition.

5. Economic conditions and non-conformists in Britain

In 1800, the population of England was just over 8.5 million, with Scotland's population adding another 2.0 million. There had been a dramatic annual increase in population beginning in the latter part of the eighteenth century, attributable in large part to the improvements in economic conditions, or as W. H. B. Court (1967: 13) put it, a situation "in which the old conditions of life had been sufficiently modified to permit a rapid increase of numbers."

The British economy was growing. Using 1700 as the index year (100), by 1800 real private sector output had risen to 230 (Deane 1967: n. 79). To be a bit more concrete, Phyllis Deane, using an amalgam of estimates contemporary to the period, suggests Britain's per capita income for 1800 at £22, which translates into 2000 prices to approximately £2,800. Britons were, compared with most of their European counterparts, doing quite well—at least on average. There were still dramatic disparities between those benefiting from the emergence of an industrial economy and those on whose backs that emergence was founded.

With innovation and increased capital formation, real wages had been rising through much of the eighteenth century. The population increase put pressure on land prices and contributed to rural dislocations (the percentage of the population involved in agriculture had fallen by 1800 to just over 50%); these dislocations contributed to the pool of labor for the growth of cities and the development of an industrial base. By no means was rural poverty eliminated, but it did not compare with the plight of the urban dwellers, the Dickensian poor. This description will help explain the geographic focus of social and religious movements in Britain (largely urban in nature) in contrast with that of Norway (largely rural in nature). Economic growth also affected the population unevenly, aggravating the gap between rich and poor and, more important for purposes of this discussion, underscoring the distinctly different social, political, and economic opportunities for the religious 'haves' and 'have nots.' England was a distinctly stratified society, and religious affiliation contributed to the stratification.

The origins of British non-conformists can be traced back to the establishment of the Church of England by Henry VIII in the sixteenth century. Following the English Civil War, Oliver Cromwell's Puritan party's victory led to a "Presbyterian church" establishment in 1646. The restoration of the monarchy in 1660 resulted in the re-establishment of the episcopacy and harsh legislation against dissenters. Attempting to exert political and religious control, Henry's Protestant successors imposed wide-ranging laws to require conformity and control dissent. The Clarendon Code's Act of Uniformity in 1662 made a real schism within the Established Church inevitable because it required Episcopal ordination for all ministers. This prompted the secession of nearly 2,000 clergy. Their dissension resulted in more discriminatory legislation—the Corporation Act, requiring municipal officers to take Anglican communion; the Conventicle Act, prohibiting unauthorized worship; and the Five Mile Act, forbidding ejected ministers from coming within five miles of a corporate town. The Test Act of 1673 compelled all government officials to take an oath of allegiance and supremacy and receive the sacrament according to the forms of the Established Church, essentially barring all non-conformists from every aspect of civic employment.

By the mid-eighteenth-century, the non-conformist movement included an array of dissenting groups—Presbyterians, Congregationalists, Baptists, Quakers, Unitarians, and Methodists. The Toleration Act of 1689 had recognized dissenting groups, exempting non-conformists who took an oath of allegiance and supremacy to the king from penalties for non-attendance at Church of England services. However, non-conformists were still ineligible for many forms of public education and social benefits (until the repeal of the Test and Corporation acts in the late 1820s). Non-conformists turned to their own academies of learning and to new forms of commerce.

Much of what motivated Wesley were the harsh working conditions, the extreme unemployment and persistent poverty of Britain's industrial cities, and, even more important, the lack of any attention by society to the results of these maladies. While Wesley would experiment with organizations to aid people in their attempts for a better life, for the most part he preached a self-help message. One of his biographers commented that in his preaching Wesley "gave poor people a sense of value and worth" (Waller 2003: 128). Wesley also created a message that motivated to action both those in poverty and those who could do something to alleviate it. Several writers have observed, as the economic analyst Wellman Warner (1930: 149) does in his exploration of Methodism's contribution to the industrial revolution, that "Wesleyan teachings justified material success because the characteristics leading to success were inseparable from the Christian moral character." As we discuss subsequently, this view is largely based on the Methodism that emerged from Wesley's work. Wesley himself, at least in his early years, was more interested in bringing the scourge of poverty and the malevolence of wealth into the public consciousness.

6. Economic conditions in Norway and the Haugian movement

At the turn of the eighteenth century, the population of Norway was approximately 880,000, with as many as 80% of the people engaged in agriculture. Unlike Britain, where the population increase was accompanied by a change in the rural/urban mix, Norway's population increase did not produce any noteworthy structural change in the economy. The country remained predominately rural and agricultural. Most farmers were also employed in other pursuits, primarily in one of the country's export industries—fishing, forestry, mining, or shipping. While this helped insulate the agriculture sector somewhat from the vagaries of poor harvests, it also subjected a large segment of the population to geo-political conditions that affected the international economy. By standards of the time, though Norway was not a poor country, the bulk of its population relied on an unstable economic base, and as such, their well-being was always insecure. Ola Grytten, in his 2004 paper for the Norge Bank, provides the earliest measure of Norwegian GDP; he estimates GDP for 1830 (in 2000 kroner) at just under 10,000/person (Grytten 2004: 241–288). These data indicate that Norway's GDP was marginally higher than that of Sweden, though still significantly lower than Denmark.

Aside from peasants, civil servants and burghers made up the largest segment of the population. The civil servants, directly, and the burghers, indirectly, were influenced by the ruling power in Copenhagen.

> In the cities, a rich burgher class was prospering on the trade advantages of neutrality and the favor of the reactionary government which came to power in 1772. The new prime minister, Ove Hoegh Guldberg, eliminated most of the reforms of his predecessor, re-introducing the grain monopoly and raising the grain tariff. The rich merchants in Norway's coastal towns were thus made more secure in the prosperity they already enjoyed.[3]

Within the rural areas, freeholders constituted the majority of peasants, but their agricultural holdings varied greatly in size and productivity. There was a rise in the number of cottagers, a subordinate class of peasants and essentially tenant farmers; there were perhaps 40,000 cottagers in the early 1800s.

In 1800, the Danish-Norwegian Union was more than 400 years old. Although there had been a change of government in Copenhagen in 1784, constraining legislation from an earlier period continued to restrict citizens' activities and movements. The Conventicle Act (1741) essentially prohibited freedom of association by forbidding "men or women alone or in company, to travel about and conduct meetings." This, and other restrictive legislation, was driven by the clergy's attempts to guard official Lutheranism from sectarian groups, especially in the early years, against the Moravian Brethren. The Conventicle Act was used to restrict assemblies of almost any kind. In addition, the Vagrancy Law (1754) restricted extensive travel. For all intents and purposes, organized opposition to the Copenhagen government or to the state church was not tolerated. The authorities' suppression of the peasant revolt led by Christian Lofthus in 1786–1787 reveals the way society was restricted and constrained.

[3] Shaw (1979: 29), quoting Larsen (1948).

Much of our research is oriented to the way that religion and entrepreneurial activities were related. Did the religious circumstances of Britain and Norway—the marginalization of individuals and groups that did not conform—encourage an entrepreneurial approach to life?[4] Britain and Norway were at very different stages of economic and political development as the eighteenth century came to an end. In both countries, though, the stratification of society, accentuated by religion, was prompting dissent. As Warner (1930: 8) has observed, "[I]t suited the institutions and interests of the possessing classes to retain the conception of an assigned 'place' in society.... The spirit of liberalism was freedom of movement; the spirit of the age was settled status." And again Warner (1930: 10) notes, "Theology was therefore called upon gratefully to salve the conscience of the possessing and to reconcile the poorer groups to the injustice of their lot.... Religion was therefore frankly employed as the soporific of the poor." It was this orientation that prompted dissent, and from that dissent came strikingly similar economic activities by the dissenters. What we are trying to understand and explain is why some collective action was prompted by more entrepreneurial notions of the leaders while other action seemed more like the stereotypical popular labor uprising (e.g., the Lofthus Movement and later the Thrane Movement in Norway).[5]

7. Wesley's socio-economic ideas

Wesley's Methodist movement was certainly not the first of the so-called non-conformist movements in Britain. Some observers would argue that during Wesley's life, it never actually rose to the level of non-conformity because its leader did not renounce the Church of England (Hattersley 2003).[6] Still, Wesley's followers received the scorn of many and were persecuted relentlessly throughout his life. As such, they seem to fit the category of a non-conformist movement, and many of their life-style decisions mimic those of even more severely marginalized groups, such as the Quakers.

Some observers have also argued that Wesley's movement was more of an ethical than a theological movement. In its application, that is true, but in its inspiration, it certainly contained significant theological underpinnings. And those theological underpinnings dictated attention to the well-being of all Christians. Warner (1930: 58) argues that "Wesleyanism must therefore be appraised first as a religious theory of social structure and social process." This is certainly the case, and it is in this context that we examine Wesley's socio-economic ideas as they evolved over time. At the heart of Wesley's preaching was the doctrine of Christian perfection, or the idea that people were capable of achieving perfection through the empowerment that God's grace offered to all. This cornerstone doctrine of Wesley's theological thinking helps explain much about his socio-economic ideas.

> In presenting an ideal moral life to the individual ... [Wesley's ideas] undertook to exchange the sense of human impotence for unlimited strength.... But throughout, the significant point of its religious psychology is the rejection of human moral weakness as an unnatural and acquired disability. Nothing could be invented better suited to make men conscious of their significance, and its effect upon a population which the prevailing social system burdened with a sense of inferiority would be revolutionary (Warner 1930: 71).

In part because of this notion of perfectibility and Wesley's insistence on the importance of the entirety of one's life, his religious views understandably led him to consider the socio-economic system that kept so many people from achieving perfection. To address the immorality of the existing system, Wesley attempted to elevate the value of economic life and the activities that contributed to one's well-being in that life. In doing so, it was only natural that Wesley would stress the importance of work because work was the mechanism to raise people from poverty. As Wesley said, "Every man that has any pretence to be a Christian will not fail to [school himself rigorously to the business of his calling] seeing it is impossible that an idle man can be a good man—sloth being inconsistent with religion."[7]

At the core of Wesley's beliefs and embedded within his preaching and writings is the justification for a material orientation, for a drive to achieve some level of material success.

[4] We explore this issue for Norway in Dalgaard and Supphellen (2011).
[5] For an excellent analysis of Norway's popular uprisings, see Furseth (2002).
[6] As Hattersley (2003: 305) notes, as late as 1764 in *A Short History of Methodism*, Wesley made the bold assertion of loyalty saying, "Real Methodists [were] Church of England men."
[7] John Wesley, *Works*, vol. vii, p. 31, as quoted in Warner (1930: 140).

This is the perception that most have of the Methodist movement, and it is certainly possible to find Wesley statements that promote, and even justify, material success. For much of his life, though, Wesley was concerned with a more narrow aspect of the material world. Wesley's movement concentrated on the segments of the community that were increasingly involved in the rising industrial sector. Rural groups were less accessible and were less disenchanted with the religious establishment. The urban poor were the unattended, powerless, exploited segment of the population. Seeing the conditions in which these people lived and taking into account the view that all can be elevated spiritually by a life that provides material well-being, it was natural that Wesley should focus on how to attend to the poor, the powerless, and the exploited.

Perhaps because of the environment in which he espoused his religious thinking, it is understandable that Wesley's early ideas regarding economics were quite radical, even revolutionary.[8] He was essentially attempting to create a movement in which the focus of economic activity was ministering to and liberating the poor. Today, we might describe Wesley's ideas as 'liberation theology,' the doctrine that arose in Latin America in the 1960s and interpreted Christian faith out of suffering, struggle, and hope for the poor.[9] Unlike twentieth-century liberation theology, which is Marxian in its orientation, Wesley was generally supportive of the predominant economic views of eighteenth-century England, views that would be formalized in Adam Smith's 1776 book, *An Inquiry into the Wealth of Nations*.[10]

Although Wesley's socio-economic thinking was revolutionary when carried to its extreme, Wesley was not attempting to overthrow the existing political or economic systems in England.[11] What Wesley had in mind was the transformation of all life based on the gospel. This transformation was so intimately linked to economic issues that the enterprise of scriptural Christianity could be said to succeed or fail depending on the way it did or did not transform the lives of those to whom the message was directed, the poor. Economic ideas have a central place in Wesley's attempts to transform the nation while spreading the word of a renewed scriptural holiness.

> Jennings (1990: 17) goes even further in his assessment of the application of Wesley's ideas:
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> While Wesley did emphasize personal conversion, this was always inseparably linked to a real transformation in the form of one's life. This transformation did not simply make one a more complacent exemplar of conventional morality, but rather brought one into necessary conflict with the character of the world and its conventional wisdom. Above all it had to result in a transformation of one's relation to the world, especially as this world was instantiated in mammon, the desire of riches, the ethos of acquisition and expenditure. Those 'evangelicals' who preach a conversion that does not turn us toward the poor, that does not result in a redistribution of wealth, cannot plausibly claim that there is any relation between saving persons and changing society.

But because Wesley never actually challenged the political status quo it is hard to suggest that he was himself revolutionary.[12] For this if no other reason, Wesley could never be viewed as a precursor for the more radical notions of liberation theology. Nonetheless, embedded within his early preaching and writing was a distinct criticism of the prevailing economic structures, at least in respect to how they affected the poor, and the attitudes that underlay these structures and created the conditions endured by the poor. Wesley regularly lashed out at the ideas of economic power and privilege. "If a man pursues his business, that he may raise himself to a state of figure and riches in the world, he is no longer serving God in his employment.... For vain and earthly designs are no more allowable in our employments, than in our alms and devotions."[13]

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[8] Our thinking here is particularly influenced by Jennings (1990).

[9] For an accessible introduction to liberation theology, see McAfee Brown (1993). A book representing the strong socio-economic orientation of liberation theology is Boff and Boff (1987).

[10] One early observer of Wesley's economic thinking argued that his ideas evolved but that he was predominantly a free-market advocate (see Kingdon 1937).

[11] Wesley actually spoke against the impending American Revolution, arguing that the king had the authority to tax (Kingdon 1937: 347).

[12] Wesley wrote: "King George is the father of all his subjects; and not only so, but he is a good father. He shows his love to them on all occasions; and is continually doing all that is in his power to make his subjects happy." John Wesley, "A Word to a Smuggler" January 30, 1767, in *Works*, XI, p. 174. See www.nnu.edu/johnwesley/the-journal-of-john-wesley

[13] Wesley, "Sermon on the Mount," Discourse VIII, as quoted in Jennings (1990: 17).

It was this kind of thinking that Jennings used to justify his label of evangelical economics, what we refer to as 'revolutionary economic thinking.' What prompted this kind of thinking? It is out of character, so to speak, for an individual so deeply immersed in the system he criticizes.

Wesley and the early Methodists organized institutions for the poor to provide more lasting relief than charity could produce. An illustration of this is the attempt to employ the poor so that they could meet their own needs. As Wesley describes the design of this enterprise:

> Our aim was, with as little expense as possible, to keep them at once from want and from idleness; in order to which, we took twelve of the poorest, and a teacher, into the society-room, where they were employed for four months, till spring came on, in carding and spinning of cotton. And the design answered: They were employed and maintained with very little more than the produce of their own labour.[14]

Although the development of sewing collectives to employ the poor was an important step, its benefits were limited to those who might be so organized. Thus, Wesley hit upon the idea of a 'lending stock,' which would enable the poor to acquire for themselves the tools and materials to develop their own businesses. Wesley provides the following account:

> I made a public collection towards a lending-stock for the poor. Our rule is, to lend only twenty-shillings at once, which is repaid weekly within three months. I began this about a year and a half ago (1746): Thirty pounds sixteen shillings were then collected; and of this, no less than two hundred and fifty-five persons have been relieved in eighteen months.[15]

This was, essentially, a precursor to today's micro-finance work of Nobel Prize–winner Mohammed Yunus (2003). Such initiatives were then, as they are now, transformational, moving people from dependence and poverty to self-sufficiency and financial stability.

These undertakings suggest that Wesley viewed economic activity as a part of worldly salvation. He embraced work as long as it was focused on improving the lives of the poor. He was less enthusiastic about business and the acquisition of wealth if they did not have the proper focus.

Wesley's view with respect to the acquisition of goods is entirely congruent with the basic structure of his theology as a whole. Wesley's beliefs expanded on the Lutheran concept of 'faith alone.' Not 'faith alone,' but 'faith working by love' was his slogan. God's gift of grace comes with God's demand of obedience, that people use that grace in such a way as to grow more and more into the likeness of God. It was the same with the gifts of the earth's bounty. We receive them with the expectation, perhaps even with the command, that we employ them in a particular way. Wesley was well aware of the dangers of cheap grace. He was also on guard against a cheap providence. Jennings (1990: 116) argues that

> Wesley's understanding of stewardship is a frontal assault on the principles of capitalism and the ethos of accumulation and consumption of wealth. He believed that the gospel entailed such a radical change of behavior that its spread would result in the actualization of a new society in which injustice was abolished.... He realized that the rich were not promising candidates for such a message. They felt they had too much to lose, were too caught in the snare of riches. Therefore, the message must be directed to the poor, the dispossessed, the marginalized. And these would be organized as disciplined cadres, steeped in the point of view (ideology) that entailed these values and held together by strict discipline.[16] The privileged classes, meanwhile, would be confronted with a relentless call to repentance of their complicity in the snares of wealth and the practice of injustice, in the hope that some of these at least would respond.

Others suggest somewhat different interpretations of Wesley's views. The work of contemporary economic historians, especially those whose works are included in a volume edited by David Jeremy, put a very different 'spin' on Wesley's ideas.

[14] Wesley's Journal, November 25, 1740, as quoted in Jennings (1990: 60).
[15] Wesley's Journal, January 17, 1748, as quoted in Jennings (1990: 61).
[16] As the Wesleyan movement became more mainstream and less evangelical in its economic thinking, there were those who felt that Wesley's original ideas were being lost. Among these were William and Catherine Booth who founded the Salvation Army. See Hattersley (1999).

> He [Wesley] had, however, an economic ethic of his own, pungently summed up in the threefold formulary to 'gain all you can, save all you can, and give all you can.' (condensed from his Sermon 50 on 'The use of money') This clearly implied the lawfulness of striving for gain, and also the right to private property which is nowhere contested by Wesley.... Nor did Wesley require even the Methodist wealthy to divest themselves of their possessions, and he was sufficiently alive to the needs of his age to allow that money was required not only to purchase the necessities of life, but also for commercial and industrial investment. Indeed, the general tenor of Wesley's travel observations in his Journal is that economic progress was progress, and that nothing was worse than the chronic under-employment of the pre-industrial economy.[17]

In his article on Methodist businessmen, Jeremy documents the religious networks arising from involvement with Methodism that contributed to business success. It was the attraction of a theology that did not condemn, but actually condoned, accumulation of wealth—as long as there remained the dictate of giving—that apparently appealed to many of Britain's new-found wealthy in the late eighteenth century.[18] The conclusion from work such as that of Ward and Jeremy is that Methodism attracted congregants who viewed it as a comfortable religious tradition supporting hard work and material acquisition. This is hardly the Marxian-like perspective that Jennings describes as inherent within Wesley's message.

If the conventional view expressed by Ward and Jeremy was widely embraced during Wesley's time, why did the country's powerful interests feel so threatened by Wesley's movement that they resorted to a campaign of concerted violence and intimidation? Certainly there was an exclusively religious basis for some of the outbursts. As Roy Hattersley (2003: 177) notes in his biography of Wesley, "The identification of Methodism as a distinct religion, with an independent theology and autonomous network of societies and meeting houses, made the connexion vulnerable to assault from those faithful Christians who despised and feared any change from the conventions of the Established Church." But there may well have been some socio-economic component to the attacks as well. Hattersley notes that Wesley was considered by many a heretic and a traitor. He was a traitor to the idea of king and country and the political and economic foundations that supported the socio-economic system of eighteenth-century England. As Jennings (1990: 169–170) correctly notes,

> When we recall the main points of Wesley's evangelical economics, however, the outrage of established interests becomes somewhat more intelligible. The denial that wealth and privilege are the sign of God's favor; the assertion that all of this is instead a robbery of God and the poor; the insistence that the poor have particular place in God's action and that concern for the poor be made the litmus test of our action; the articulation of a notion of stewardship that undermines the sacred character of private property—these are themes that are quite capable of enraging powerful interests and of leading them to incite violence and campaigns of attempted intimidation, to denounce the proponents of such views as insurrectionists in the employ of sinister foreign powers.

Beyond this, the various venues of Wesley's preaching—public squares, marketplaces, and fields—contributed to the great crowds he drew. Within these crowds were large numbers of the poor; these people were not regular churchgoers. Wesley's appeal troubled many clergy who were concerned that the Methodists reached many more members of the parish than attended church. The 'spiritual populism' of Wesley's offer of free salvation to all by grace through faith offended aristocratic sensibilities, while it attracted growing numbers of the poor and marginalized of England. Add to this the not uncommon view of the comfortable and powerful that any stirring of the masses could only bode ill, and we begin to get an idea of the vested interests of those who were alarmed by the Methodist phenomenon.

It seems likely that some of the tensions emerging from Wesley's presentations, at least in the early period, were due to his response to critics of Methodism. Wesley seemed to thrive on rhetorical debates, but he was a realist as well, and in these rhetorical responses, he chose to emphasize the elements of his teaching that were most innocuous to make the critics appear ridiculous. "And the prospect of defusing these critics may have caused him to so formulate his position as to accommodate the worldly wisdom he otherwise attacked. It certainly appears that Wesley gives way before the very sort of prudential reasoning he knew to be destructive of the life of faith" (Jennings 1990: 172). Wesley undoubtedly realized the risk to his movement.

[17] W. R. Ward, "Methodism and Wealth, 1740-1860" (in Jeremy 1998: 65).

[18] David J. Jeremy, "Late-Victorian and Edwardian Methodist Businessmen and Wealth" (in Jeremy 1998: 71–85).

> He is especially sensitive to the charge [of economic irresponsibility] when it is made by clerics, since to be found in opposition to the Homilies [Church of England received doctrines are contained in Articles of Religion, the Book of Common Prayer, and the Homilies], for example, would result in the unraveling of his defense of core doctrines. Thus Wesley has a strong incentive to make his teaching appear to be as much in harmony with the Homilies as possible, using the very language of the Homilies wherever possible.... This is precisely what Wesley appears to be doing at those points where we have noticed tensions and hesitations in the treatment of evangelical economics (Jennings 1990: 173).

Wesley's determination not to break with the Church of England in any point of doctrine means that irreconcilable equivocations are introduced into his economic ethic. The price of maintaining a doomed relationship with the Church was the weakening of Wesley's evangelical economics to the point that they could be largely forgotten after his death.

In response to the numerous attacks, both verbal and physical, and the possibility that the crown's protection would not last, Wesley began to moderate his public pronouncements about socio-economic change.[19] He deviated from the hard-core criticism of wealth and instead focused on hard work. He tended to avoid attacks on the wealthy, instead finding ways to urge them to use their gifts to assist those without. He never failed to question the potential danger that wealth held and, late in life, came to question how some of his preaching about wealth would be interpreted. These sorts of criticisms became increasingly less visible in the evolving Methodism. The conventional view of Wesley, then, is based more on his later teaching and preaching, and perhaps even more so on the views of his followers, than on his early revolutionary ideas. For example, his threefold formulary, to gain all you can, save all you can, and give all you can, clearly implied the lawfulness of striving for gain. It is perhaps this orientation that leads Ward (as quoted in Jeremy 1998: 65) to conclude, "he was sufficiently alive to the needs of his age to allow that money was required not only to purchase the necessities of life, but also for commercial and industrial investment." In addition, Warner (1930: 149) comments, "Wesleyan teachings justified material success because the characteristics leading to success were inseparable from the Christian moral character."

How do we reconcile the divergent views on Wesley presented by Jennings, on the one hand, and the various economic historians such as Jeremy, on the other hand? Our interpretation of Wesley, as distinct from the Wesleyans who followed him, is that he abandoned his revolutionary thinking, his economic evangelicalism, in the face of public and organized religious pressure. Changing his way of thinking, at least the message in his preaching, on economic issues was not at all inconsistent with his vacillation on theological issues. Hattersley (2003: 142) notes, "It is easy to understand why Wesley's friends grew increasingly impatient with the constant adjustments to his theological position. To Wesley, his vacillations seemed like a search for new truth and salvation. To others they seemed like self-indulgence." There were similar refinements in his thinking, as Hattersley describes them, on socio-economic matters. In making these socio-economic refinements, he perhaps saved himself from continuing persecution, maybe prosecution, and allowed his movement to continue without accelerating attack. His message of revolutionary change was co-opted by his followers to be one that accepted, and even promoted, the acquisition of wealth—as long as there was some attention to the idea of "give all you can."[20]

[19] The observations of Robert Kingdon suggest a different interpretation. "Wesley's interest in economic problems seems to have declined [by the end of the 1770's]" (Kingdon 1937: 351).

[20] The experience of Wesley, the pragmatist who saw the importance of advancing Methodism, albeit in a somewhat moderated form, is reminiscent of Paul. In a fascinating article, Robert Wright (2009: 38–53) argues that we should view Paul "not just [as] a preacher but as an entrepreneur, as someone who is trying to build a religious organization." He goes on to note that the moral truths of the Christian tradition "emerged not so much from philosophical reflection as from pragmatic calculation."

8. Hauge's socio-economic ideas

Almost immediately after his conversion experience, Hauge was launched into a whirlwind of religious and social activism that would continue until his final arrest in 1804. Hauge's first book, *Meditation on the Folly of the World*, was published in 1796. As with many of his books, this was a religious tract, but it also included harsh criticism of the Norwegian clergy. Hauge would write and publish 33 books, 19 during the activist years of 1797–1804. By some estimates, the number of copies of several of his publications has reached to 50,000 or 60,000.

After his encounter with God, Hauge turned increasingly to the scriptures as a source of inspiration and insight and to craft his message to his listeners. H.N.H. Ording has added up all the biblical references in Hauge's book of sermons, *Den christelige Laere* (1800), and, in just that one work, found no fewer than 1,340 references.[21]

Hauge's message was one of conversion, turning away from the old, dead ways of habitual Christianity to a new, living faith. This new, living faith meant being inspired by Jesus Christ, moving away from the indifference that Hauge saw in all of Norway's organized religion to a renewed acceptance of Christ. But Hauge also urged his listeners to undertake activities that gave meaning to the words of Christ, to become modern-day disciples. In doing so, Hauge picked up on the biblical notion of stewardship. "From this follows the idea of service to God, in the sense of discharging the responsibility of steward" (Aarflot 1979: 157). Hauge noted that God does not need our service: "And so one will gladly do something good for him (God); but since he does not need our service, we should ... show our love toward those who need help in spiritual and temporal things" (Aarflot 1979: 157). This meant becoming stewards of God's gifts and using those gifts for the good of oneself, one's neighbors, and one's country. "It does not depend on how much is entrusted to us, or how great are the gifts we have, but on this: how faithful and diligent we are in making use of them and giving glory to God."[22] Hauge increasingly stressed the value of hard work and the importance of frugality for oneself and generosity toward others. Living one's faith meant using the gifts of God to God's glory. It was only natural that Hauge would link the notion of a living faith to an active life of meaningful work. Hard work is a constant theme of Hauge.

In speaking about the motivation for Hauge's view of the community, Aarflot (1979: 158) states, "The second [explanation] is Hauge's opposition to officialdom and the bourgeoisie's monopoly of society. There is a social passion in many of his statements which justifies speaking of him as a social reformer." Hauge's social reform focused on changing Norway's stratified society by advancing the well-being of the many, by giving them the wherewithal to live a better life, to compete with the well-to-do, and to create a sustainable lifestyle.

It was those in Norway's extensive rural areas who were most adversely affected by the prevailing system. Hauge saw around him the plight of the poor peasants, especially the tenant farmers, called cottagers. Hauge was distressed by the false gods of the world that distracted men and women from God's message and from the needs of those around them.

> The worldly, wise, false, and evil have followed the god of this world, using useful or most advantageous things such as trade, factories and other larger enterprises, but the simple ... have despised and forsaken useful things ... thereby the worldly have become rich and received much in this world, and have by their evil wisdom made the good to be their servants while they themselves live in luxury, splendour and comfort.[23]

[21] Quoted in Magnus (1978: 24).
[22] Hans Nielsen Hauge, Liv og budskap, 1971, p. 186, as quoted in Aarflot (1979: 157).
[23] Hauge, as quoted in Magnus (1978: 29) from Aarflot (1979: 188).

Hauge believed that change could come by empowering the powerless. In 1804, he wrote to a friend saying, "I believe that with more industry and factories I could be light for mankind in good deeds. So also thereby to earn rather in order to give than to be obliged to receive."[24] He went on to say in another letter, "And so that you have something to work at, I have advised them to invest or lend money in order to help start factories with several useful applications and thereby the poor can earn their daily bread by the sweat of their brows, that is better than giving them food to eat in their idleness."[25]

Hauge was consistent in his message and steadfast in his belief that change would come. He said, as Christians, we should "distribute our goods so they can be used for the faithful stewardship of the true believers, to bring to a halt the luxury of the rich, to obstruct their business, and to strengthen the good people" (Aarflot 1979: 158). And again, "[How are we to follow Jesus' words about letting our good works be seen] when we do not work, and do business, since the latter can acquire something to do good with? Also we may gradually be able to halt the excesses of the rich. They not only live in splendor ... but often live in unrighteousness and oppression of the neighbor.

We must therefore encourage the weak."[26] And as always, Hauge intended to mobilize his followers to achieve his goals. "We have therefore joined together to trade, run factories and to till the land so that the unemployed can have work and all who live as Christians can support themselves, and also the evil can have something to work at and live off, so we can avoid idleness, begging and luxury, doing good while we live so we can have comfort in death and joy in eternal life."[27]

Hauge's stress on the value of work is in line with mainstream Lutheran tradition. What is different, and controversial, is Hauge's efforts to motivate peasants to start businesses and engage in commerce. The tradition of the time, stemming from the German Lutheran heritage, was a three-class society—Lehrstand, Wehrstand, and Nährstand (education/art/religion, armed forces, and business sector). One should not seek to break from his station in life. In urging people to take the initiative to start businesses, Hauge was directly challenging the established order, because "it is quite evident that Hauge saw the faults of the economic system of his day just as clearly as he saw the faults of the spiritual, moral, and social order, and he sought to correct the economic evil with all the means in his power" (Pettersen 1926: 29).

What is noteworthy about Hauge is how he actualized his beliefs by serving as a model for those he hoped to mobilize. Our analysis suggests that the exclusion he faced necessitated 'alertness' to special or unusual opportunities because more normal opportunities were not available. People needed to move out of the mainstream and be constantly on the lookout for ways to advance themselves or, more specifically, their causes. Innovation, risk taking, and aggressive capital formation were necessities.

It was this exclusion that required creation of close working relationships and networks within the excluded religious groups. That closeness and the nurturing of network connections worked to create the environment conducive to entrepreneurial activity, perhaps most importantly in the area of capital formation. Hauge was not unique. Many observers of religiously excluded groups, such as the Quakers, explain economic success exclusively in terms of communities and connections, or the close working relationships that contribute to trust and cooperation. Most who study English Quakers stress the importance of networks and the distinctive nature of a group isolated from the mainstream of English society. The argument is made that when these individuals became successful and were accepted in social and business communities, they needed the integrated network provided by the Quaker group much less; in the process, though, they also lost their special access to capital and business connections within the group.[28] While we do not discount this explanation, we believe that there is more to explore. Self-confidence, beyond what was gained by network connections, creates a sense of personal agency and motivates people to action, sometimes entrepreneurial action.[29]

[24] Ibid., as quoted in Magnus (1978: 28) from Aarflot (1979: 187).
[25] Brev frå Hans Nielsen Hauge by Ingolf Kvamen, v. I, p. 273, as quoted in Magnus (1978: 28).
[26] Aarflot (1979: 159) from the third issue of Hauge's periodical "Basis of Christian Teaching," 1801.
[27] Brev frå Hans Nielsen Hauge, as quoted in Magnus (1978: 29).
[28] A discussion of this phenomenon appears in Kirby (1984). Documentation of the Quakers' record of achievement is available in Emden (1939).
[29] We discuss this point in detail in our Scandinavian Economic History Review article cited previously.

9. The empowerment of this sense of "calling"

Part of what needs exploration is the sense of special calling that created this high self-esteem and motivated action. We certainly find evidence of this 'calling' in the preachings and writings of John Wesley and Hans Nielsen Hauge. Both believed that they were singled out to preach and lead people to a better way of life. Most biographers of Hauge reference his sense of being endowed with a natural and powerful authority.[30] In particular, Nodtvedt (1965: 107) comments that "Hauge's April day experience was interpreted by him as a call of God to a special ministry." This was an empowering realization, and as a religious and entrepreneurial leader, Hauge's messages reflected his confidence and drive to achieve this better way of life for his people.

As we discussed previously, the Wesleyan movement "both in its reasoned outlook and in its practice set up the individual as the sole agent of achievement" (Warner 1930: 32). Wesley stressed the doctrine of Christian perfection, arguing that all people should aspire to perfection and that all could achieve it. Wesley's social theory was an ethic with a spiritual basis, but "it was mainly concerned with psychological promises. In presenting an ideal moral life to the individual ... it undertook to exchange a sense of impotence for an unlimited strength."

Warner (1930: 71) sums up his analysis of the motivating nature of Wesley's message by saying, "Nothing could be invented better suited to make men conscious of their significance, and its effect upon a population in which the prevailing social system burdened with a sense of inferiority would be revolutionized."

We find similar components of Hauge's message. He urged his followers to take pride in themselves, what they did, and how they represented themselves as servants of God. But this message and the enhanced awareness of the need to find ways to finance the movement were not enough; there had to be a way to create opportunities. Here, Hauge's previous experience came into play, and it was here that Hauge differed from Wesley. Wesley preached empowerment; Hauge not only preached it but also modeled it for his followers. Hauge was not unaware of the business world; he had engaged in several business initiatives before his 'conversion experience'. As biographer Nodtvedt (1965: 103) states, "It is possible that Hauge's real interest in business enterprises between the ages of sixteen and twenty-two might have kept him from becoming a religious reformer." So, Hauge had no strong aversion to the world of business and preached that "He who is good and wise lives or uses his Gifts, Forces and Fortune for himself, and thus increases them for the benefit of others." And elsewhere, "Wealth is good for those who use it well."[31] But what might have been an inclination toward business became a drive because business initiatives provided a way to achieve his ultimate goal, bringing souls to Christ through a better life on earth.

In addition to motivation, personal agency, and self-efficacy, Hauge displayed another aspect of entrepreneurial behavior. His alertness to opportunities was enhanced by a sensitivity to what Kirzner calls market disequilibrium. In one of the few studies that attempts to empirically define alertness, Gaglio and Katz (2001: 99) note that "market disequilibrium arises from disruptive changes brought about because of new technology, knowledge, demographics, or *social values* [our emphasis] that ... force industries to reinvent themselves through radical innovation." They go on to note, "Kirzner refers to this [insight about disequilibrium, which allows one to recognize when it becomes necessary to radically reconfigure an understanding of the industry, the society, or the marketplace] as breaking the existing means-ends framework. He considers this step to represent the heart and soul of entrepreneurial alertness and to be the strongest point of difference between entrepreneurs and other market actors" (103).

[30] Particularly focused on this is Ravnåsen (2002).
[31] As quoted in Ravnåsen, p.71 (2002).

What of these business initiatives? How did they reflect the entrepreneurial spirit we attribute to Hauge? It is important to note that in the late eighteenth century, Norway was, in many respects, still constrained by limited opportunities for new business initiatives. Stiftsamtmann Hagerup of Kristiansand wrote in a 1776 report to his city's business leaders that "The country of Norway as a whole, and the diocese of Christiania in particular, are not by nature or incidental circumstances especially suitable for the establishment of factories."[32] Magnus (1978: 50) cites Breistein in stating, "The case was not that it was not advantageous for the country to have more industry; it was just that so few felt any desire to start up when there was so little prospect of making a profit."

Hauge's earliest business activity was prompted by the desire to advance his religious teaching; he needed to get his writings published. For some time, Hauge had been traveling to Copenhagen to have his books printed. In 1800, he decided to start his own paper mill and, eventually, printing operation. This was the well-known Eiker mill in Akershus county. It took almost two years to bring the mill into full operation, but by late 1802, production was underway. Operations were organized around a communal-type living arrangement, with all involved benefiting from the production. Hauge's brother Mikkel managed the facility, and as many as 50 people lived and worked at Eiker.

The Eiker mill's funding is typical of the way Hauge mobilized capital. He used some of his own resources, mostly from the sales of his books, and then turned to friends and followers to provide additional capital. In many instances, these people were partners rather than simply investors. In virtually all Hauge's business 'start-ups', he turned over operations to someone else rather than managing the business himself. The success of the Eiker mill led to the launch of a similar factory at Fennefoss in 1804. To a certain extent, the Eiker mill was used to provide opportunities for the disadvantaged; the Fennefoss mill was most certainly intended for this goal.

Another of Hauge's early business endeavors was the purchase of a substantial commercial property, Valsengarden, in 1802. As with many of his business initiatives, Hauge entered into this deal with a friend, in this case his soon-to-be brother-in-law, John Nicolai Loose. This was to be the base of Hauge's Bergen business activities. Within a year of this property purchase, Hauge had invested in four or five coastal junks (*jekt*) for trade along the West Coast. Connected with this trading business, mostly involving corn trade in the north of Norway, Hauge sought a way to grind his own corn. His first attempt to purchase and operate a mill in Gravdal, near Bergen, failed when the sale was annulled. It was not until 1804 that he was able to complete this aspect of the corn trade business when he was involved in purchasing an estate in Sunnfjord. Although it was Hauge who inspired the operation, others eventually owned and operated it. Breistein uses this new start-up to highlight how Hauge motivated others; he documents the success of the estate with its farm operation and mill. A young follower of Hauge who became owner/manager, Ole Torjussen Helling, later launched a shipyard and salt-producing plant.[33]

In 1803, Hauge cooperated with a friend and follower, Hans Thorsen Bacherud, to purchase printing works near Kristiansand. Bacherud turned the rundown operation into a profitable enterprise, and he became an important part of the Kristiansand community. At about the same time as the Fennefoss mill was launched, Hauge was involved in the purchase of a farm near Eeg, outside Kristiansand. The farm had been the site of a brick factory but had failed several years earlier. Hauge inspired a young local farmer to take over the farm and restore the brickworks. This endeavor succeeded, producing upwards of 100,000 bricks per year, until it was sold in 1814.[34] Hauge's entrepreneurial activities came to an abrupt halt when he was arrested and imprisoned in 1804.

[32] Quote appears in Dagfinn Breistein's account of Hauge and his business endeavors, Hans Nielsen Hauge: Kmopmann i Bergen, Bergen, 1955, and is included in English-language version of Magnus (1978). Much of the discussion on Hauge's business activity is taken from this Magister Thesis, which in turn relies heavily on Breistein's book.

[33] Breistein, op. cit., p. 187, as cited by Magnus (1978: 57).

[34] Breistein, op. cit., p. 171, as cited by Magnus (1978: 54).

Nonetheless, the most highly publicized of Hauge's business endeavors actually took place during his imprisonment. These are the salt works he established, first at Kidholmen, outside Lillesand, in 1809, and later near Stavanger. Aside from Kidholmen being a highly successful operation, it is noteworthy because Hauge was released from prison to launch this business. The Danish-Norwegian war with England and the blockade the English imposed were threatening the country with starvation. Salt for preserving fish was essential. Hauge had this first operation up and running within a month. He then went on to launch another operation near Stavanger. Hauge's freedom, despite his efforts on behalf of the state, was short-lived, and he was returned to prison in 1809.

What is perhaps most noteworthy is that Hauge-inspired businesses were more productive and most likely more profitable than other early nineteenth-century Norwegian firms. Using data compiled by Fritz Hodne, Ola Grytten estimates that Hauge-inspired firms generated 25% higher gross product per capita and productivity (output/labor input) was 30% higher. In addition, although labor welfare costs were 30% higher, managerial costs were significantly lower than other firms. Hauge-inspired firms provided moderate returns for their owners.[35]

10. Interactions of people and conditions

It is almost impossible to know whether the strength of the Wesleyan and Hauge movements could have happened without a fertile environment for change. What was happening in Britain and Norway that set the stage for entrepreneurial activity? In England and many parts of Europe, this was a time of dramatic change, not just in the sense that economies were being transformed as the Industrial Revolution began but also because the view of the individual was changing. Adam Smith, among other philosophical thinkers, changed the way people looked at the world and their place in it.

In writing about this transformation of attitudes, Warner (1930: 27) observes, "There was no room here [in the Smithian view] for either of the main theses of the preceding nationalistic doctrines advocating an active government policy in support of vested interests, and the subordination of the mass of the people to serve the policy of the few." He goes on to make the connection between the changing view of the individual in the writings of social and economic philosophers and the emergence of this tenent in the non-conformist movements, especially Wesleyism, in Britain. "No other forces in the eighteenth century were so largely responsible for remolding the habits of the community [as those of economic thinkers]. In addition, the [Wesley] movement made equally important contributions to the ideal of the free initiative of the common man" (31–32).

We found similar ideas expressed by Hauge. Andreas Aarflot (1979: 155) says of Hauge that "one of the most important presuppositions for Hauge's involvement in society is his conception of the Christian life in the world as a community of equally placed and valued persons." There was at the time a 'critical mass' of ideas for change being generated. Hauge was a catalyst for this change. Hauge in Norway, like Wesley in Britain, was tapping into the energy these ideas were creating.

What distinguishes Hauge is that he moved beyond ideas, beyond simply creating a new way of looking at the world and one's place within it. Hauge was himself an entrepreneur. He did not just preach change; he enacted change. We find evidence of his positive inclinations toward business in some of his early writings. In responding to criticism by a contemporary, S.A. Qvale, Hauge wrote: "Perhaps Qvale wishes to build cloisters, as in days of old, for his church establishment; for my part, however, I want to build factories, conduct trade, work to help the craftsmen."[36] Hauge actually acted on the economic motivations contained in his religious beliefs. As we discussed previously, during his most active years, 1800–1804, Hauge established dozens, some have suggested scores, of new businesses all over the country—fishing operations, brickyards, spinning mills, printing plants, and, what was his most enduring undertaking, a paper mill at Eiker.[37] These business initiatives helped fund the Hauge movement—his books and his preaching—but they also provided a model for Norwegian peasant farmers. This sort of activity was not just unusual, it was revolutionary, and it, as much as the challenges he posed for the religious establishment, is what brought Hauge into conflict with the established powers.

[35] Estimates by Ola Grytten (1999) based on data compiled by Fritz Hodne, "verdiskapingen i manufaktur og industri i Norge 1817-1829." The overall impact of Hauge's businesses is documented in Grytten (2013).
[36] As quoted in Aarflot (1979: 159).
[37] Grytten (2013: 38) finds "more than 30 companies directly stemming from Hauge's entrepreneurship. Additionally we find dozens of establishments where he contributed."

11. Concluding comments

What links the actions of many of Britain's non-conformists, most notably the Quakers, and the Haugians is what we refer to as a heightened sense of awareness, an alertness to new opportunities. Our suggestion is that exclusion—religiously based but with socio-economic implications—necessitated the search for new opportunities. The sense of a special calling that characterized these evangelical groups produced the self-confidence to encourage risk taking. If our reasoning is correct, it helps explain why this entrepreneurial behavior is fairly time constrained. As non-conformist religious movements become more mainstream, one might say that they are co-opted by the established belief systems, they lose this 'specialness' and the drive for innovative opportunities, and routes to success are more conventional because more possibilities exist without the constraints created by marginalization and persecution.

Perhaps more important for this discussion is how two evangelical Christians put their religious convictions into practice. For both John Wesley and Hans Nielsen Hauge, economics was important. The social-economic context of the two men helps explain this, but their differing backgrounds—Wesley coming from the respected, established line of Ox-Bridge educated ministers, and Hauge coming from the rural poor—would suggest very different orientations. Yet both developed revolutionary ideas about people in their relationship with the economy. The ideas of both men had the potential to produce dramatic change in the way people worked, lived, and interacted with their surroundings. We are suggesting that Wesley moderated his views, deviating to a great extent from the most controversial of his economic ideas to avoid the criticism of his fellow clergy and the possible imprisonment by his government. The extent to which he moderated his views had a profound impact on the Methodist movement, essentially allowing it to become a mainstream religious movement rather quickly. Hauge's ideas were equally revolutionary. He did not deviate from these ideas; rather, he acted on them to sustain his movement and, more important, empowered his followers to continue to act. To our way of thinking today, the actions of Hauge and his followers are certainly not revolutionary, not even controversial. Employing entrepreneurial skills, establishing small businesses, and using them to support followers and fund the growth of the movement are accepted and even lauded today. But in Hauge's Norway these ideas challenged the established order and contributed to the persecution he felt throughout his life. Through his entrepreneurial endeavors, Hauge inspired and trained countless of his followers, preparing them, and the country, for a new economic age.[38]

Hauge's most distinguished biographer, Andreas Aarflot, sums it up this way. "We may ask further whether it was simply outward circumstances, an urge to speculate, and hunger for profit that drove him into increasingly larger economic ventures, or did his activity in this sphere have some connection with his ethical view of life and his basic Christian point of view?" In any case, it was an attitude toward the things of this world that did not especially match the old pietistic tradition that had influenced him since childhood. Moreover, it was not the prevailing view in Norway's class-structured society that a simple, unlearned farmer's son should get ahead in this way. His beliefs and behaviors shattered the usual conceptions and created, as Dagfinn Mannsaker has shown, a wave of opposition from all classes of society. Thus, he must have had strong convictions that drove him to this work, despite the oppositions he faced. Not even the criticism he had to endure from his believing friends and followers could hold him back from active involvement in society (Mannsaker 1996).

John Wesley and Hans Nielsen Hauge were both transformational figures. Wesley's movement lives on today with approximately 75 million Methodists worldwide. Hauge's movement was affected by the Norwegian diaspora of the nineteenth century with thousands of Norwegian-Americans associating their Lutheran beliefs with the ideas of Hauge. Perhaps more important to Norway, Hauge's movement was an essential part of the awakening of the Norwegian spirit.

[38] Grytten (2013: 41) estimates that Hauge was involved in 1% to 1.5% of total Norwegian investment volume in 1804 and that his overall financial activities might have reached 2% to 2.5% of total national investments.

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