

The legacy: from tolerated credit to organised credit

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After Calvin, reflection on lending at interest continued in the Reformed world. His successors in Geneva, beginning with Théodore de Bèze, maintained a position of regulated tolerance.¹ In the seventeenth century, Reformed authors such as Claude Saumaise, settled in the Netherlands, defended the legitimacy of interest in learned treatises.² The United Provinces, and then England, developed public and private credit markets on a new scale. The question of the lawfulness of interest gradually gave way to that of its level and its regulation.

The Geneva of the seventeenth and eighteenth centuries took part in this movement. Geneva merchants practised credit, invested in annuities and in foreign public loans, and some became bankers. The Huguenot networks, born of the revocation of the Edict of Nantes, linked Geneva to Paris, Lyon, Amsterdam and London. Part C will show how these bankers financed the French monarchy in the eighteenth century, with the risks that this entailed. Calvin's distrust of the trade of lender then faded before the reality of a respected profession, practised by families of the Geneva elite.

Contemporary Swiss law retains several traces of the reflection on interest. The Code of Obligations sets the rate of default interest at 5 per cent where the contract does not provide for a higher rate (Art. 104 para. 1 CO) and provides that interest may not, as a rule, itself bear interest (Art. 105 para. 3 CO). The Criminal Code punishes usury (Art. 157 SCC). Consumer credit legislation sets a maximum rate. Finally, the cantons retain residual powers to combat abuses in the field of contractual interest (Art. 73 para. 2 CO).³

The Geneva financial centre also serves a clientele from religious traditions that retain a prohibition of interest. Islamic finance, which proscribes *riba*, has developed instruments based on profit-and-loss sharing, on sale at a disclosed mark-up or on leasing, which in many respects recall the contracts that medieval scholasticism allowed.⁴ Geneva institutions offer

services that comply with these principles to clients from the Gulf and elsewhere. Calvin's reflection, which sought to distinguish equitable productive credit from exploitation, offers an illuminating point of comparison for these practices.

So-called ethical or responsible finance likewise carries forward, in secular form, certain Calvinist requirements. The concern for the use of funds, for the effects of credit on borrowers and on society, and for the fair sharing of the value created coincides with the criteria that Calvin formulated. Part K will return to sustainable finance and its limits.

1 Notes

1. La Revue réformée, no. 244, Michel Johner, "La liberté et l'argent : calvinisme et économie" (larevuereformee.net): Calvin's letter to Claude de Sachin of November 1545 legitimises lending at interest, the rate of which is fixed at 5% by the Geneva ordinances of 1547, subject to four conditions — no interest charged to the poor, the borrower's profit to exceed the interest, the rate to be fixed by the public authority, and a prohibition on making it a trade; in 1580, under the leadership of Théodore de Bèze, the Compagnie des pasteurs opposed the establishment of a bank in Geneva. See also François Dermange, "Calvin et le prêt à intérêt : une éthique de la justice ou de l'amour ?", Foi&Vie 2018/1 (forumprotestant.fr), which lists seven restrictions laid down by Calvin. ↩
2. Wikipedia (en), "Claudius Salmasius": Claude Saumaise (1588-1653), professor at Leiden from 1631 in Scaliger's chair; "The De usuris liber (1630) and subsequent writing was a vindication of moderate and lawful interest for money" (edition dated 1638 in the article's bibliography). ↩
3. Art. 73 CO (droit-bilingue.ch): para. 1: "A person who owes interest at a rate fixed neither by agreement, nor by law or custom, pays it at the annual rate of 5%"; para. 2: "The repression of abuses in the field of contractual interest is reserved to public law". ↩

4. Wikipedia (en), art. “Islamic banking and finance”: “All forms of interest are riba and hence prohibited”, twelve verses of the Quran dealing with riba; prohibition of gharar (uncertainty); mudarabah (“profit-sharing partnership in a commercial enterprise”), musharaka (joint venture with multiple contributions), murabaha (“cost-plus” financing), ijarah (leasing), sukuk (“the Islamic alternative to conventional bonds”); assets estimated at USD 3,880 billion (Islamic Financial Services Board, Stability Report 2025) or USD 5,980 billion (ICD-LSEG, Islamic Finance Development Report 2025). ↩

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