UNIT 13: MAX WEBER: RELIGION AND CAPITALISM

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13.1 LEARNING OBJECIVES

After going through this unit, you will be able to–

- understand the relationship between religion and economy
- know the definition of capitalism as given by Weber
- know the meaning of the protestant work ethic
- understand how rational action contributes in the organization of socio-economic behaviour.

13.2 INTRODUCTION

Max Weber or Karl Emil Maxmillian Weber, a German sociologist is considered as one of the founders of sociology. We have already learned

from the previous units that he has immensely contributed to the defining of the subject matter of sociology and outlining the methodology of social sciences. For him sociology is the understanding of the meaning of social action. Social action is meaningful action. The meaning of social action is derived from the inter subjective understanding of an interaction between two persons in a society. This method of understanding is termed as *Verstehen.* The diverse works of Max Weber thus have a constant theme of the understanding the meaning of social action. Weber has worked on diverse themes including the study of authority and religion. His work 'The Protestant ethic and the spirit of capitalism' published in 1905 is a brilliant presentation on the relationship between religion and the defining of social action that is conducive for the emergence and development of a particular work ethic and thus a particular form of economy. In the previous unit we have learnt about Max Weber's concept of Ideal Type, Authority and Bureaucracy. In this unit we will discuss the basic arguments of Weber on the relationship between economy and society.

13.3 THE WORK ON RELIGION AND ECONOMY

The Protestant ethic and the spirit of capitalism was the result of an intellectual endeavour to reinterpret the contributions of Karl Marx in the understanding of capitalism and its influence in the organization of the society. This intellectual exercise was not similar to the scientific analysis followed in other parts of Europe at the time of Max Weber. His interpretations were basically akin to the hermeneutic traditions rather than that of positivism. Therefore unlike Karl Marx, Max Weber focused on the interpretation of social action to understand the origin of capitalism. Max Weber and his followers thus observed that the economic conditions that Marx believed determined the development and the future transformation of capitalism were embedded within a unique cultural totality. This cultural totality rested on a particular religious ethic that guided rational action conducive for capitalism.

Thus, for Max Weber, capitalism rest on the performance and continuity of a particular form of action. This action is again guided by a

particular form of religious ethic. The work on the protestant ethic is an exploration of such a relationship between the economy and religious ethic.



CHECK YOUR PROGRESS

Q.1: What is the title of the work where Max Weber explores the relationship between economy and religion for the first time?

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Q.2: Why did Max Weber write the Protestant Ethic and Spirit of Capitalism?

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Q.3: How is Weber's interpretation of capitalism different from Karl Marx?

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13.4 THE SPIRIT OF CAPITALISM

Spirit of capitalism refers to a set of values that are essential for the emergence and growth of capitalism. It encompasses the spirit of hard work and progress. These values are again responsible for the promotion of the rational pursuit of economic gain. Rational here implies that the pursuit of wealth is systematic rather than random accumulation of wealth for conspicuous consumption and waste of wealth.

In his definition of capitalism, Max Weber separated capitalist enterprise from the pursuit of gain. This means that he did not consider that the sole objective of economic action in capitalism was economic gain. Economic action in capitalism had an underlying principle. This principle did not rest on the desire for wealth. It had a much more complex foundation. For Weber, capitalist action involves regular orientation to the achievement of profit through economic exchange. It also involves the rational organization of formally free labour. Therefore the understanding of this rational organization of labour was essential in the understanding of the origin and growth of capitalism. The rational organization of labour involved routinization of calculated administration within continually functioning enterprise. Such an enterprise is based on the adherence of discipline among the workers. Therefore for Weber the spirit of capitalism rest on two factors:

- A disciplined labour force and
- Regularized investment of capital

Let us now discuss about these factors in detail.

13.4.1 Disciplined Labour Force

Max Weber further analyses the above two factors of spirit of capitalism in two kinds of societies. In the traditional form of enterprises in earlier societies a disciplined labour force is not found. Labour did not have a work ethic that made them discipline themselves for the achievement of cumulative gains. In these enterprises the rewards for the performance of a particular work do not ensure that the people will work better after getting the rewards. In fact they may consider the reward as an end in itself and retard their participation in more work. On the other hand in a capitalist enterprise rewards motivate people to work harder for the betterment of their enterprise. Better work rather than the reward is the objective of the labour force engaged in capitalist enterprise. This is what Weber regards as the discipline of the free labour of the capitalist enterprise.

13.4.2 Regularized Investment of Capital

Weber further explains that in earlier forms of enterprise, the accumulation of wealth or rewards were mostly for the luxury and consumption of the people. Therefore wealth did not generate more wealth that could be used for both personal benefit or for investing in common good. However the capitalist enterprise, wealth is converted into capital for further investments and the profit generated from it can be used for the benefit of all people of a society. Hence both the organization of a disciplined labour force and the regularized investment of capital rest on rational Principles that aims at the generation of new work and more rewards.

13.4.3 Other Impetus for Modern Capitalism

Apart from the above factors there are certain other impetus for the rise of modern capitalism. These are again based on new rational ideals that emerged after the Reformism. Modern capitalism requires:

- Separation of the productive enterprise from the household. This led to the promotion of guilds and industrial entrepreneurial activity.
- Development of the western cities with political autonomy and the formation of bourgeoisie society separate from agrarian feudalism.
- The existence in Europe of an inherited tradition of Roman law that was integrated and developed rationalization of juridical practice.
- Development of the nation-state that rested on a bureaucracy as a rational legal system of governance.
- Development of the double-entry bookkeeping which helped in the capitalist enterprise.
- Formation of free mass of wage labourers as explained earlier.

Let us now understand relationship between these components of capitalism and the Protestant ethic.



CHECK YOUR PROGRESS

Q.4: What does Weber mean by the phrase 'spirit of capitalism'?

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Q.5: What are the two factors in the determination of the 'spirit of capitalism'?

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Q.6: What is the basic difference between the traditional forms of enterprises and capitalist enterprises?

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13.5 THE ETHIC

The presence of a disciplined labour force indicates that the rationalized capitalist enterprise has a spirit that is moral. It is moral because of the combination of the impulse to accumulate wealth and recourses and a positively frugal life. Although the work leads to the accumulation of wealth, wealth itself is not the end. A person is in the worldly affairs of the present society or the 'this world', as termed by Weber, but still manages to be an ascetic as he does not consider wealth as the ultimate end. Such type of morality found in capitalist enterprise is therefore termed as 'this worldly asceticism'. For Weber such an ethic of 'this worldly asceticism' emerged after the Reformation. The emergence of the reformed theologies of the Lutheran Church, Calvinism and the Methodist and reviewed the selected tenants in Christianity in the light of the new emerging commercial society. The Puritans were a group of reformed Protestants who adhered to Calvinism. This group, in particular was considered by Weber as the

propagators of 'this worldly asceticism'. All of these groups adhered to Protestantism rather than Catholicism. Therefore Weber argues that the spirit of capitalism is akin to the Protestant ethic.

13.5.1 The Notion of Calling

The ethic of 'This Worldly asceticism' of the Puritans was highlighted though the concept of 'calling'. The Notion of calling was again introduced by the Reformism. The idea of 'calling' propagates that the highest form of moral obligation of the individuals is to fulfil his duty in worldly affairs. Therefore engaging in worldly affairs of the economy and polity is considered as a religious duty in reformed Protestant ethic. Rather than renouncing this worldly affairs and joining a monastic life such an ethic locates the follower in the particular social context. Religious behaviour is reflected in our day to day life, not outside its realm. Calvinism, for example, considers the activism to worldly affairs as a drive to mastery in a quest for virtue in the eyes of god. It maximizes the moral impulsion coming from the active commitment to the achievement of salvation and focuses it upon economic activity. An individual was religiously prescribed to follow a secular vocation with as much zeal as possible. Hence a person's work can be called as his calling and to continue this work is his religious duty. In accordance with this ethic the individuals develop a disciplined work life. The pursuit of wealth through hard work is not equated with greed. The accumulated wealth is again invested into more generative work that will bring in more returns. The protestant ethic forbade wasteful use of hard earned money and identifies the purchase of luxuries as sin. Even donation to the poor or charity, were limited as it was seen as encouraging and furthering of beggary. This social condition was perceived as laziness that burdens their fellow man and is an affront to god. By not working one is believed to have failed to glorify God. Therefore the investment of money for a particular objective was conducive for the generation of more work. The acceptance of this

adherence to a calling again rests on certain other important believes in the various sub sets of Protestantism. One of these is the belief is on predestination.

13.5.2 Predestination

The doctrine of predestination is also embedded in Calvinism. According to this doctrine only some human beings are chosen to be saved from damnation. These selected few shall attain salvation. This choice of a few human beings is predetermined by God. Hence it has already been decided who will attain salvation. This realization gives birth to a sense of loneliness amongst the followers of this belief. However since we do not know who the chosen ones are, every individual must keep oneself engaged in the worldly affairs. One must keep his or her faith alive that he or she may be the elect one in order to avoid the loneliness. People should not only voluntarily believe that they are the chosen one's but it is a religious obligation to believe so. For Weber, from this dilemma of being the chosen one and loneliness, the capitalist spirit was born.

Further a person can ensure that he or she is the chosen one by the performance of 'good works' in worldly activities. 'Good works' refer to the works that are beneficial for the individual as well as the other people of the society. The success in the worldly affairs is believed as an indication of the possibility of the person being the elect one for salvation. The performance of work is therefore considered by the Protestants as the medium through which a person may know that he is the chosen one. Success is seen as a sign of being elect. Accumulation of wealth, combined with a sober, industrious career was therefore morally sanctioned by the reformed Protestant ethic. Wealth was condemned only if employed to support a life of idle luxury or self indulgence. Thus, for Weber, Calvinism supplies moral energy and drive of the capitalist enterprise.

13.5.3 Rationality and its Iron Cage

The above discussed doctrines of Calvinism in particular and Protestantism in general has an iron consistency. It means that the nature of doctrines is such that people practice them in a disciplined and routinized form in their day to day actions. Such endeavours of the people lead to their rational mastery of the world. It prioritizes a rationality that is parallel to the disenchantment of the world from irrational practices such as magic. Their actions are guided by a rationality that flows from the protestant ethic. Thus the capitalist enterprise is also based on rational principles whereby people chose the best means to achieve cumulative rewards by continuous investments. This practice is further supported by existence of formal and rationally constructed institutions such as the trader's guild, monetary system, bureaucracy and a developed framework of law. Thus the rational practice of calling is intrinsically related to the development of capitalism as a socio-economic institution.

However, Weber observes that when capitalism was well established as an enterprise it gradually eradicated the specific religious elements in the work ethic that was the driving force behind the birth of capitalism. Without the moral fervour, only the rational calculation of profits remained in the pursuit of profit. Hence the work ethic in modern capitalism progressively became mechanical rather than a moral culture. The rational principles could not be abandoned in a highly industrial culture yet the factors that led to its emergence do not appear to have any significance in this new culture. Therefore Weber calls this moral dilemma of modern capitalism as the iron cage of rationality where people are bound by a rationality that is devoid of morality and is driven by the pursuit of profit.

Weber also states that Puritanism in the long term has therefore played a role in the creation of an iron cage of rationality. Modern man has to exist in an increasingly bureaucratic order from which the spontaneous 'enjoyment of life' is ruthlessly expunged.

Thus, work in the end becomes involuntary in the pursuit of wealth rather than freely pursued.

13.6 OTHER WORKS ON RELIGION

The above analysis of the relationship between religion and economy goes beyond the work on 'Protestant ethic and spirit of capitalism'. In his work 'Sociology of Religion' (1920) Weber analyses the ethics of other major religions all over the world including Hinduism, Confucianism and Judaism. He has found that the ethics of these other religions were essentially different from the ethic of Protestantism. While Hinduism was other worldly ascetic, Confucianism was this worldly but not ascetic. Again Judaism and Catholic practices were engaged in the cycles of sin and salvation rather than believing in predestination and the pursuit of cumulative rewards. Religions like Buddhism of the other hand where more mystical in the sense they advocated the flight from this world and at the same time practices inaction. Thus, these religious ethics do not support the factors that form the foundation of modern capitalism.

Thus Max Weber tries to explain the logic behind rational action and its relation to religion as a social institution that helps in the formation of particular economic institutions in a society.



CHECK YOUR PROGRESS

Q.7: What does Weber mean by the phrase 'this worldly asceticism'?

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Q.8: What is the notion of 'Calling'?

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Q.9: What is predestination?

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13.7 LET US SUM UP

- From this unit we have learned about the basic concepts of the theory of religion presented by Max Weber.
- We have also understood the definition of capitalism as given by Max Weber.
- Unlike Karl Marx, Max Weber considers that the emergence of capitalism is embedded in a particular cultural context.
- One of the basic elements of this cultural context is the ethic of their respective religions.
- Economic action in particular and social action in general is related to the religious ethics.
- Weber relates the economic rationality of the capitalist action to that of the ethic of 'this worldly asceticism' of the reformed protestant religious sects and particularly to Calvinism.
- According to this ethic work is considered as a calling, a religious duty to achieve the glory of good through salvation.
- The protestant ethic prescribes that people should work to accumulate wealth that can be invested for the common good.

- In this ethic, wastage of wealth in terms of conspicuous consumption is not preferred.
- By following such work ethic and achieving success through it people have the faith that they are among the elected few to achieve a predetermined salvation.
- The doctrine of predestination or the doctrine that considers salvation as predetermined is intrinsically related to the ethic of this worldly asceticism.
- This Protestant ethic was conducive for the emergence and the development of capitalism since it led to the accumulation of capital.
- The inherent rationality in the Protestant ethic related to work ensures that people achieve mastery in quest for virtue in the eyes of God. This makes the workers disciplined in all kinds of secular work that they follow.
- However the rationality, if devoid of its religious fervour, can result in a mechanized industrial culture where people may engage in a rigorous competition for the accumulation of profit without the consideration of salvation and common good.
- Weber also analyses the relationship between religion and economic action in the study of the major religions that existed all over the world.



13.8 FURTHER READING

1) Weber, Max. (1930) *The Protestant Ethic and the Spirit of Capitalism;* London: Routledge.
2) ———— (1920); *The Sociology of Religion.* London: Methuen & Co. Ltd.

13.9 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: The title of the work where Max Weber explores the relationship between economy and religion for the first time is the 'Protestant Ethic and the Spirit of Capitalism', published in 1905.

Ans. to Q. No. 2: The Protestant ethic and the spirit of capitalism was written by Max Weber to reinterpret the contributions of Karl Marx in the understanding of capitalism and its influence in the organization of the society.

Ans. to Q. No. 3: Max Weber believed that the economic conditions that Marx believed determined the development and the future transformation of capitalism were embedded within a unique cultural totality. This cultural totality rested on a particular religious ethic that guided rational action conducive for capitalism.

Ans. to Q. No. 4: Spirit of capitalism refers to a set of values that are essential for the emergence and growth of capitalism. It encompasses the spirit of hard work and progress.

Ans. to Q. No. 5: The spirit of capitalism rest on two factors: A disciplined labour force and regularized investment of capital

Ans. to Q. No. 6: Traditional forms of enterprises do not have a disciplined force of free labour and a regularized investment of capital like that of modern capitalist enterprises.

Ans. to Q. No. 7: 'This worldly asceticism' is a religious ethic that combines the impulse to accumulate wealth and recourses and a positively frugal life. Although the work leads to the accumulation of wealth, wealth itself is not considered as the end. A person is engaged in the worldly affairs of the present society or the 'this world' but still manages to be an ascetic as he does not consider wealth as the ultimate end.

Ans. to Q. No. 8: The idea of 'calling' is the interpretation of work in religious ethics. It propagates that the highest form of moral obligation of the individuals is to fulfil his duty in worldly affairs. Calvinism for example

considers the activism to worldly affairs as a drive to mastery in a quest for virtue in the eyes of god.

Ans. to Q. No. 9: According to the doctrine of predestination only a few human beings are chosen to be saved from damnation. These elect few shall attain salvation. This choice of a few human beings is predetermined by God. However since we do not know who the chosen ones are, every individual must keep oneself engaged in the worldly affairs. The success in the worldly affairs is a believed as an indication of the possibility of the person been the elect one for salvation.



13.10 MODEL QUESTIONS

A) Short Questions: (Answer each question in about 150 words)

Q.1: How is Weber's analysis of religion related to the understanding of social action?

Q.2: How is Weber's understanding of capitalism different from Marxian definition of capitalism?

Q.3: How is predestination related to the work ethic of capitalism?

B) Long Questions: (Answer each question in about 300-500 words)

Q.1: Explain the relationship between the protestant ethic and the spirit of capitalism.

Q.2: How does the rationality in economic action in the beginning of the capitalist enterprise become the iron cage of rationality in the advanced capitalist societies?

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