

MAX WEBER

THE PROTESTANT ETHIC

AND THE

(1904-5)

SPIRIT OF CAPITALISM

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CHAPTER II

THE SPIRIT OF CAPITALISM

IN the title of this study is used the somewhat pretentious phrase, the *spirit* of capitalism. What is to be understood by it? The attempt to give anything like a definition of it brings out certain difficulties which are in the very nature of this type of investigation.

If any object can be found to which this term can be applied with any understandable meaning, it can only be an historical individual, i.e. a complex of elements associated in historical reality which we unite into a conceptual whole from the standpoint of their cultural significance.

Such an historical concept, however, since it refers in its content to a phenomenon significant for its unique individuality, cannot be defined according to the formula *genus proximum, differentia specifica*, but it must be gradually put together out of the individual parts which are taken from historical reality to make it up. Thus the final and definitive concept cannot stand at the beginning of the investigation, but must come at the end. We must, in other words, work out in the course of the discussion, as its most important result, the best conceptual formulation of what we here understand by the spirit of capitalism, that is the best from the point of view which interests us here. This point of view (the one of which we shall speak later) is, further, by no means the only possible one from which the historical phenomena we are investigating can be analysed. Other standpoints would, for this as for every

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historical phenomenon, yield other characteristics as the essential ones. The result is that it is by no means necessary to understand by the spirit of capitalism only what it will come to mean to *us* for the purposes of our analysis. This is a necessary result of the nature of historical concepts which attempt for their methodological purposes not to grasp historical reality in abstract general formulæ, but in concrete genetic sets of relations which are inevitably of a specifically unique and individual character.¹

Thus, if we try to determine the object, the analysis and historical explanation of which we are attempting, it cannot be in the form of a conceptual definition, but at least in the beginning only a provisional description of what is here meant by the spirit of capitalism. Such a description is, however, indispensable in order clearly to understand the object of the investigation. For this purpose we turn to a document of that spirit which contains what we are looking for in almost classical purity, and at the same time has the advantage of being free from all direct relationship to religion, being thus, for our purposes, free of preconceptions.

“Remember, that *time* is money. He that can earn ten shillings a day by his labour, and goes abroad, or sits idle, one half of that day, though he spends but sixpence during his diversion or idleness, ought not to reckon *that* the only expense; he has really spent, or rather thrown away, five shillings besides.

“Remember, that *credit* is money. If a man lets his money lie in my hands after it is due, he gives me the interest, or so much as I can make of it during that

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time. This amounts to a considerable sum where a man has good and large credit, and makes good use of it.

“Remember, that money is of the prolific, generating nature. Money can beget money, and its offspring can beget more, and so on. Five shillings turned is six, turned again it is seven and threepence, and so on, till it becomes a hundred pounds. The more there is of it, the more it produces every turning, so that the profits rise quicker and quicker. He that kills a breeding-sow, destroys all her offspring to the thousandth generation. He that murders a crown, destroys all that it might have produced, even scores of pounds.”

“Remember this saying, *The good paymaster is lord of another man's purse*. He that is known to pay punctually and exactly to the time he promises, may at any time, and on any occasion, raise all the money his friends can spare. This is sometimes of great use. After industry and frugality, nothing contributes more to the raising of a young man in the world than punctuality and justice in all his dealings; therefore never keep borrowed money an hour beyond the time you promised, lest a disappointment shut up your friend's purse for ever.

“The most trifling actions that affect a man's credit are to be regarded. The sound of your hammer at five in the morning, or eight at night, heard by a creditor, makes him easy six months longer; but if he sees you at a billiard-table, or hears your voice at a tavern, when you should be at work, he sends for his money the next day; demands it, before he can receive it, in a lump.

“It shows, besides, that you are mindful of what you

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owe; it makes you appear a careful as well as an honest man, and that still increases your credit.

“Beware of thinking all your own that you possess, and of living accordingly. It is a mistake that many people who have credit fall into. To prevent this, keep an exact account for some time both of your expenses and your income. If you take the pains at first to mention particulars, it will have this good effect: you will discover how wonderfully small, trifling expenses mount up to large sums, and will discern what might have been, and may for the future be saved, without occasioning any great inconvenience.”

“For six pounds a year you may have the use of one hundred pounds, provided you are a man of known prudence and honesty.

“He that spends a groat a day idly, spends idly above six pounds a year, which is the price for the use of one hundred pounds.

“He that wastes idly a groat’s worth of his time per day, one day with another, wastes the privilege of using one hundred pounds each day.

“He that idly loses five shillings’ worth of time, loses five shillings, and might as prudently throw five shillings into the sea.

“He that loses five shillings, not only loses that sum, but all the advantage that might be made by turning it in dealing, which by the time that a young man becomes old, will amount to a considerable sum of money.”²

It is Benjamin Franklin who preaches to us in these sentences, the same which Ferdinand Kürnberger

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satirizes in his clever and malicious *Picture of American Culture*³ as the supposed confession of faith of the Yankee. That it is the spirit of capitalism which here speaks in characteristic fashion, no one will doubt, however little we may wish to claim that everything which could be understood as pertaining to that spirit is contained in it. Let us pause a moment to consider this passage, the philosophy of which Kürnberger sums up in the words, “They make tallow out of cattle and money out of men”. The peculiarity of this philosophy of avarice appears to be the ideal of the honest man of recognized credit, and above all the idea of a duty of the individual toward the increase of his capital, which is assumed as an end in itself. Truly what is here preached is not simply a means of making one’s way in the world, but a peculiar ethic. The infraction of its rules is treated not as foolishness but as forgetfulness of duty. That is the essence of the matter. It is not mere business astuteness, that sort of thing is common enough, it is an ethos. This is the quality which interests us.

When Jacob Fugger, in speaking to a business associate who had retired and who wanted to persuade him to do the same, since he had made enough money and should let others have a chance, rejected that as pusillanimity and answered that “he (Fugger) thought otherwise, he wanted to make money as long as he could”,⁴ the spirit of his statement is evidently quite different from that of Franklin. What in the former case was an expression of commercial daring and a personal inclination morally neutral,⁵ in the latter takes on the character of an ethically coloured maxim

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for the conduct of life. The concept spirit of capitalism is here used in this specific sense,⁶ it is the spirit of modern capitalism. For that we are here dealing only with Western European and American capitalism is obvious from the way in which the problem was stated. Capitalism existed in China, India, Babylon, in the classic world, and in the Middle Ages. But in all these cases, as we shall see, this particular ethos was lacking.

Now, all Franklin's moral attitudes are coloured with utilitarianism. Honesty is useful, because it assures credit; so are punctuality, industry, frugality, and that is the reason they are virtues. A logical deduction from this would be that where, for instance, the appearance of honesty serves the same purpose, that would suffice, and an unnecessary surplus of this virtue would evidently appear to Franklin's eyes as unproductive waste. And as a matter of fact, the story in his autobiography of his conversion to those virtues,⁷ or the discussion of the value of a strict maintenance of the appearance of modesty, the assiduous belittlement of one's own deserts in order to gain general recognition later,⁸ confirms this impression. According to Franklin, those virtues, like all others, are only in so far virtues as they are actually useful to the individual, and the surrogate of mere appearance is always sufficient when it accomplishes the end in view. It is a conclusion which is inevitable for strict utilitarianism. The impression of many Germans that the virtues professed by Americanism are pure hypocrisy seems to have been confirmed by this striking case. But in fact the matter is not by any means so simple. Benjamin Franklin's own character, as it appears in

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the really unusual candidness of his autobiography, belies that suspicion. The circumstance that he ascribes his recognition of the utility of virtue to a divine revelation which was intended to lead him in the path of righteousness, shows that something more than mere garnishing for purely egocentric motives is involved.

In fact, the *summum bonum* of this ethic, the earning of more and more money, combined with the strict avoidance of all spontaneous enjoyment of life, is above all completely devoid of any eudæmonistic, not to say hedonistic, admixture. It is thought of so purely as an end in itself, that from the point of view of the happiness of, or utility to, the single individual, it appears entirely transcendental and absolutely irrational.⁹ Man is dominated by the making of money, by acquisition as the ultimate purpose of his life. Economic acquisition is no longer subordinated to man as the means for the satisfaction of his material needs. This reversal of what we should call the natural relationship, so irrational from a naïve point of view, is evidently as definitely a leading principle of capitalism as it is foreign to all peoples not under capitalistic influence. At the same time it expresses a type of feeling which is closely connected with certain religious ideas: If we thus ask, *why* should "money be made out of men", Benjamin Franklin himself, although he was a colourless deist, answers in his autobiography with a quotation from the Bible, which his strict Calvinistic father drummed into him again and again in his youth: "Seest thou a man diligent in his business? He shall stand before kings" (Prov. xxii. 29). The earning of money within the modern economic order is, so long

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as it is done legally, the result and the expression of virtue and proficiency in a calling; and this virtue and proficiency are, as it is now not difficult to see, the real Alpha and Omega of Franklin's ethic, as expressed in the passages we have quoted, as well as in all his works without exception.¹⁰

And in truth this peculiar idea, so familiar to us to-day, but in reality so little a matter of course, of one's duty in a calling, is what is most characteristic of the social ethic of capitalistic culture, and is in a sense the fundamental basis of it. It is an obligation which the individual is supposed to feel and does feel towards the content of his professional¹¹ activity, no matter in what it consists, in particular no matter whether it appears on the surface as a utilization of his personal powers, or only of his material possessions (as capital).

Of course, this conception has not appeared only under capitalistic conditions. On the contrary, we shall later trace its origins back to a time previous to the advent of capitalism. Still less, naturally, do we maintain that a conscious acceptance of these ethical maxims on the part of the individuals, entrepreneurs or labourers, in modern capitalistic enterprises, is a condition of the further existence of present-day capitalism. The capitalistic economy of the present day is an immense cosmos into which the individual is born, and which presents itself to him, at least as an individual, as an unalterable order of things in which he must live. It forces the individual, in so far as he is involved in the system of market relationships, to conform to capitalistic rules of action. The manufacturer who in the long

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run acts counter to these norms, will just as inevitably be eliminated from the economic scene as the worker who cannot or will not adapt himself to them will be thrown into the streets without a job.

Thus the capitalism of to-day, which has come to dominate economic life, educates and selects the economic subjects which it needs through a process of economic survival of the fittest. But here one can easily see the limits of the concept of selection as a means of historical explanation. In order that a manner of life so well adapted to the peculiarities of capitalism could be selected at all, i.e. should come to dominate others, it had to originate somewhere, and not in isolated individuals alone, but as a way of life common to whole groups of men. This origin is what really needs explanation. Concerning the doctrine of the more naïve historical materialism, that such ideas originate as a reflection or superstructure of economic situations, we shall speak more in detail below. At this point it will suffice for our purpose to call attention to the fact that without doubt, in the country of Benjamin Franklin's birth (Massachusetts), the spirit of capitalism (in the sense we have attached to it) was present before the capitalistic order. There were complaints of a peculiarly calculating sort of profit-seeking in New England, as distinguished from other parts of America, as early as 1632. It is further undoubted that capitalism remained far less developed in some of the neighbouring colonies, the later Southern States of the United States of America, in spite of the fact that these latter were founded by large capitalists for business motives, while the New England colonies were founded by preachers

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and seminary graduates with the help of small bourgeois, craftsmen and yeomen, for religious reasons. In this case the causal relation is certainly the reverse of that suggested by the materialistic standpoint.

But the origin and history of such ideas is much more complex than the theorists of the superstructure suppose. The spirit of capitalism, in the sense in which we are using the term, had to fight its way to supremacy against a whole world of hostile forces. A state of mind such as that expressed in the passages we have quoted from Franklin, and which called forth the applause of a whole people, would both in ancient times and in the Middle Ages¹² have been proscribed as the lowest sort of avarice and as an attitude entirely lacking in self-respect. It is, in fact, still regularly thus looked upon by all those social groups which are least involved in or adapted to modern capitalistic conditions. This is not wholly because the instinct of acquisition was in those times unknown or undeveloped, as has often been said. Nor because the *auri sacra fames*, the greed for gold, was then, or now, less powerful outside of bourgeois capitalism than within its peculiar sphere, as the illusions of modern romanticists are wont to believe. The difference between the capitalistic and pre-capitalistic spirits is not to be found at this point. The greed of the Chinese Mandarin, the old Roman aristocrat, or the modern peasant, can stand up to any comparison. And the *auri sacra fames* of a Neapolitan cab-driver or *barcaiuolo*, and certainly of Asiatic representatives of similar trades, as well as of the craftsmen of southern European or Asiatic countries, is, as anyone can find out for himself, very much more

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intense, and especially more unscrupulous than that of, say, an Englishman in similar circumstances.¹³

The universal reign of absolute unscrupulousness in the pursuit of selfish interests by the making of money has been a specific characteristic of precisely those countries whose bourgeois-capitalistic development, measured according to Occidental standards, has remained backward. As every employer knows, the lack of *coscienziosità* of the labourers¹⁴ of such countries, for instance Italy as compared with Germany, has been, and to a certain extent still is, one of the principal obstacles to their capitalistic development. Capitalism cannot make use of the labour of those who practise the doctrine of undisciplined *liberum arbitrium*, any more than it can make use of the business man who seems absolutely unscrupulous in his dealings with others, as we can learn from Franklin. Hence the difference does not lie in the degree of development of any impulse to make money. The *auri sacra fames* is as old as the history of man. But we shall see that those who submitted to it without reserve as an uncontrolled impulse, such as the Dutch sea-captain who "would go through hell for gain, even though he scorched his sails", were by no means the representatives of that attitude of mind from which the specifically modern capitalistic spirit as a mass phenomenon is derived, and that is what matters. At all periods of history, wherever it was possible, there has been ruthless acquisition, bound to no ethical norms whatever. Like war and piracy, trade has often been unrestrained in its relations with foreigners and those outside the group. The double ethic has permitted here what was forbidden in dealings among brothers.

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Capitalistic acquisition as an adventure has been at home in all types of economic society which have known trade with the use of money and which have offered it opportunities, through *commenda*, farming of taxes, State loans, financing of wars, ducal courts and office-holders. Likewise the inner attitude of the adventurer, which laughs at all ethical limitations, has been universal. Absolute and conscious ruthlessness in acquisition has often stood in the closest connection with the strictest conformity to tradition. Moreover, with the breakdown of tradition and the more or less complete extension of free economic enterprise, even to within the social group, the new thing has not generally been ethically justified and encouraged, but only tolerated as a fact. And this fact has been treated either as ethically indifferent or as reprehensible, but unfortunately unavoidable. This has not only been the normal attitude of all ethical teachings, but, what is more important, also that expressed in the practical action of the average man of pre-capitalistic times, pre-capitalistic in the sense that the rational utilization of capital in a permanent enterprise and the rational capitalistic organization of labour had not yet become dominant forces in the determination of economic activity. Now just this attitude was one of the strongest inner obstacles which the adaptation of men to the conditions of an ordered bourgeois-capitalistic economy has encountered everywhere.

The most important opponent with which the spirit of capitalism, in the sense of a definite standard of life claiming ethical sanction, has had to struggle, was that type of attitude and reaction to new situations which

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we may designate as traditionalism. In this case also every attempt at a final definition must be held in abeyance. On the other hand, we must try to make the provisional meaning clear by citing a few cases. We will begin from below, with the labourers.

One of the technical means which the modern employer uses in order to secure the greatest possible amount of work from his men is the device of piece-rates. In agriculture, for instance, the gathering of the harvest is a case where the greatest possible intensity of labour is called for, since, the weather being uncertain, the difference between high profit and heavy loss may depend on the speed with which the harvesting can be done. Hence a system of piece-rates is almost universal in this case. And since the interest of the employer in a speeding-up of harvesting increases with the increase of the results and the intensity of the work, the attempt has again and again been made, by increasing the piece-rates of the workmen, thereby giving them an opportunity to earn what is for them a very high wage, to interest them in increasing their own efficiency. But a peculiar difficulty has been met with surprising frequency: raising the piece-rates has often had the result that not more but less has been accomplished in the same time, because the worker reacted to the increase not by increasing but by decreasing the amount of his work. A man, for instance, who at the rate of 1 mark per acre mowed $2\frac{1}{2}$ acres per day and earned $2\frac{1}{2}$ marks, when the rate was raised to 1.25 marks per acre mowed, not 3 acres, as he might easily have done, thus earning 3.75 marks, but only 2 acres, so that he could still earn the $2\frac{1}{2}$ marks to

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which he was accustomed. The opportunity of earning more was less attractive than that of working less. He did not ask: how much can I earn in a day if I do as much work as possible? but: how much must I work in order to earn the wage, 2½ marks, which I earned before and which takes care of my traditional needs? This is an example of what is here meant by traditionalism. A man does not "by nature" wish to earn more and more money, but simply to live as he is accustomed to live and to earn as much as is necessary for that purpose. Wherever modern capitalism has begun its work of increasing the productivity of human labour by increasing its intensity, it has encountered the immensely stubborn resistance of this leading trait of pre-capitalistic labour. And to-day it encounters it the more, the more backward (from a capitalistic point of view) the labouring forces are with which it has to deal.

Another obvious possibility, to return to our example, since the appeal to the acquisitive instinct through higher wage-rates failed, would have been to try the opposite policy, to force the worker by reduction of his wage-rates to work harder to earn the same amount than he did before. Low wages and high profits seem even to-day to a superficial observer to stand in correlation; everything which is paid out in wages seems to involve a corresponding reduction of profits. That road capitalism has taken again and again since its beginning. For centuries it was an article of faith, that low wages were productive, i.e. that they increased the material results of labour so that, as Pieter de la Cour, on this point, as we shall see, quite in the spirit of the old

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Calvinism, said long ago, the people only work because and so long as they are poor.

But the effectiveness of this apparently so efficient method has its limits.¹⁵ Of course the presence of a surplus population which it can hire cheaply in the labour market is a necessity for the development of capitalism. But though too large a reserve army may in certain cases favour its quantitative expansion, it checks its qualitative development, especially the transition to types of enterprise which make more intensive use of labour. Low wages are by no means identical with cheap labour.¹⁶ From a purely quantitative point of view the efficiency of labour decreases with a wage which is physiologically insufficient, which may in the long run even mean a survival of the unfit. The present-day average Silesian mows, when he exerts himself to the full, little more than two-thirds as much land as the better paid and nourished Pomeranian or Mecklenburger, and the Pole, the further East he comes from, accomplishes progressively less than the German. Low wages fail even from a purely business point of view wherever it is a question of producing goods which require any sort of skilled labour, or the use of expensive machinery which is easily damaged, or in general wherever any great amount of sharp attention or of initiative is required. Here low wages do not pay, and their effect is the opposite of what was intended. For not only is a developed sense of responsibility absolutely indispensable, but in general also an attitude which, at least during working hours, is freed from continual calculations of how the customary wage may be earned with a maximum of comfort and a

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minimum of exertion. Labour must, on the contrary, be performed as if it were an absolute end in itself, a calling. But such an attitude is by no means a product of nature. It cannot be evoked by low wages or high ones alone, but can only be the product of a long and arduous process of education. To-day, capitalism, once in the saddle, can recruit its labouring force in all industrial countries with comparative ease. In the past this was in every case an extremely difficult problem.¹⁷ And even to-day it could probably not get along without the support of a powerful ally along the way, which, as we shall see below, was at hand at the time of its development.

What is meant can again best be explained by means of an example. The type of backward traditional form of labour is to-day very often exemplified by women workers, especially unmarried ones. An almost universal complaint of employers of girls, for instance German girls, is that they are almost entirely unable and unwilling to give up methods of work inherited or once learned in favour of more efficient ones, to adapt themselves to new methods, to learn and to concentrate their intelligence, or even to use it at all. Explanations of the possibility of making work easier, above all more profitable to themselves, generally encounter a complete lack of understanding. Increases of piece-rates are without avail against the stone wall of habit. In general it is otherwise; and that is a point of no little importance from our view-point, only with girls having a specifically religious, especially a Pietistic, background. One often hears, and statistical investigation confirms it,¹⁸ that by far the best chances of economic education are found

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among this group. The ability of mental concentration, as well as the absolutely essential feeling of obligation to one's job, are here most often combined with a strict economy which calculates the possibility of high earnings, and a cool self-control and frugality which enormously increase performance. This provides the most favourable foundation for the conception of labour as an end in itself, as a calling which is necessary to capitalism: the chances of overcoming traditionalism are greatest on account of the religious upbringing. This observation of present-day capitalism¹⁹ in itself suggests that it is worth while to ask how this connection of adaptability to capitalism with religious factors may have come about in the days of the early development of capitalism. For that they were even then present in much the same form can be inferred from numerous facts. For instance, the dislike and the persecution which Methodist workmen in the eighteenth century met at the hands of their comrades were not solely nor even principally the result of their religious eccentricities, England had seen many of those and more striking ones. It rested rather, as the destruction of their tools, repeatedly mentioned in the reports, suggests, upon their specific willingness to work as we should say to-day.

However, let us again return to the present, and this time to the entrepreneur, in order to clarify the meaning of traditionalism in his case.

Sombart, in his discussions of the genesis of capitalism,²⁰ has distinguished between the satisfaction of needs and acquisition as the two great leading principles in economic history. In the former case the

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attainment of the goods necessary to meet personal needs, in the latter a struggle for profit free from the limits set by needs, have been the ends controlling the form and direction of economic activity. What he calls the economy of needs seems at first glance to be identical with what is here described as economic traditionalism. That may be the case if the concept of needs is limited to traditional needs. But if that is not done, a number of economic types which must be considered capitalistic according to the definition of capital which Sombart gives in another part of his work,²¹ would be excluded from the category of acquisitive economy and put into that of needs economy. Enterprises, namely, which are carried on by private entrepreneurs by utilizing capital (money or goods with a money value) to make a profit, purchasing the means of production and selling the product, i.e. undoubted capitalistic enterprises, may at the same time have a traditionalistic character. This has, in the course even of modern economic history, not been merely an occasional case, but rather the rule, with continual interruptions from repeated and increasingly powerful conquests of the capitalistic spirit. To be sure the capitalistic form of an enterprise and the spirit in which it is run generally stand in some sort of adequate relationship to each other, but not in one of necessary interdependence. Nevertheless, we provisionally use the expression spirit of (modern) capitalism²² to describe that attitude which seeks profit rationally and systematically in the manner which we have illustrated by the example of Benjamin Franklin. This, however, is justified by the historical fact that that attitude of

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mind has on the one hand found its most suitable expression in capitalistic enterprise, while on the other the enterprise has derived its most suitable motive force from the spirit of capitalism.

But the two may very well occur separately. Benjamin Franklin was filled with the spirit of capitalism at a time when his printing business did not differ in form from any handicraft enterprise. And we shall see that at the beginning of modern times it was by no means the capitalistic entrepreneurs of the commercial aristocracy, who were either the sole or the predominant bearers of the attitude we have here called the spirit of capitalism.²³ It was much more the rising strata of the lower industrial middle classes. Even in the nineteenth century its classical representatives were not the elegant gentlemen of Liverpool and Hamburg, with their commercial fortunes handed down for generations, but the self-made parvenus of Manchester and Westphalia, who often rose from very modest circumstances. As early as the sixteenth century the situation was similar; the industries which arose at that time were mostly created by parvenus.²⁴

The management, for instance, of a bank, a wholesale export business, a large retail establishment, or of a large putting-out enterprise dealing with goods produced in homes, is certainly only possible in the form of a capitalistic enterprise. Nevertheless, they may all be carried on in a traditionalistic spirit. In fact, the business of a large bank of issue cannot be carried on in any other way. The foreign trade of whole epochs has rested on the basis of monopolies and legal privileges of strictly traditional character. In retail trade—and we

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are not here talking of the small men without capital who are continually crying out for Government aid—the revolution which is making an end of the old traditionalism is still in full swing. It is the same development which broke up the old putting-out system, to which modern domestic labour is related only in form. How this revolution takes place and what is its significance may, in spite of the fact these things are so familiar, be again brought out by a concrete example.

Until about the middle of the past century the life of a putter-out was, at least in many of the branches of the Continental textile industry,²⁵ what we should to-day consider very comfortable. We may imagine its routine somewhat as follows: The peasants came with their cloth, often (in the case of linen) principally or entirely made from raw material which the peasant himself had produced, to the town in which the putter-out lived, and after a careful, often official, appraisal of the quality, received the customary price for it. The putter-out's customers, for markets any appreciable distance away, were middlemen, who also came to him, generally not yet following samples, but seeking traditional qualities, and bought from his warehouse, or, long before delivery, placed orders which were probably in turn passed on to the peasants. Personal canvassing of customers took place, if at all, only at long intervals. Otherwise correspondence sufficed, though the sending of samples slowly gained ground. The number of business hours was very moderate, perhaps five to six a day, sometimes considerably less; in the rush season, where there was one,

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more. Earnings were moderate; enough to lead a respectable life and in good times to put away a little. On the whole, relations among competitors were relatively good, with a large degree of agreement on the fundamentals of business. A long daily visit to the tavern, with often plenty to drink, and a congenial circle of friends, made life comfortable and leisurely.

The form of organization was in every respect capitalistic; the entrepreneur's activity was of a purely business character; the use of capital, turned over in the business, was indispensable; and finally, the objective aspect of the economic process, the book-keeping, was rational. But it was traditionalistic business, if one considers the spirit which animated the entrepreneur: the traditional manner of life, the traditional rate of profit, the traditional amount of work, the traditional manner of regulating the relationships with labour, and the essentially traditional circle of customers and the manner of attracting new ones. All these dominated the conduct of the business, were at the basis, one may say, of the *ethos* of this group of business men.

Now at some time this leisureliness was suddenly destroyed, and often entirely without any essential change in the form of organization, such as the transition to a unified factory, to mechanical weaving, etc. What happened was, on the contrary, often no more than this: some young man from one of the putting-out families went out into the country, carefully chose weavers for his employ, greatly increased the rigour of his supervision of their work, and thus turned them from peasants into labourers. On the other hand, he would begin to change his marketing methods by so

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far as possible going directly to the final consumer, would take the details into his own hands, would personally solicit customers, visiting them every year, and above all would adapt the quality of the product directly to their needs and wishes. At the same time he began to introduce the principle of low prices and large turnover. There was repeated what everywhere and always is the result of such a process of rationalization: those who would not follow suit had to go out of business. The idyllic state collapsed under the pressure of a bitter competitive struggle, respectable fortunes were made, and not lent out at interest, but always reinvested in the business. The old leisurely and comfortable attitude toward life gave way to a hard frugality in which some participated and came to the top, because they did not wish to consume but to earn, while others who wished to keep on with the old ways were forced to curtail their consumption.²⁶

And, what is most important in this connection, it was not generally in such cases a stream of new money invested in the industry which brought about this revolution—in several cases known to me the whole revolutionary process was set in motion with a few thousands of capital borrowed from relations—but the new spirit, the spirit of modern capitalism, had set to work. The question of the motive forces in the expansion of modern capitalism is not in the first instance a question of the origin of the capital sums which were available for capitalistic uses, but, above all, of the development of the spirit of capitalism. Where it appears and is able to work itself out, it produces its own capital and monetary supplies as the means to its

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ends, but the reverse is not true.²⁷ Its entry on the scene was not generally peaceful. A flood of mistrust, sometimes of hatred, above all of moral indignation, regularly opposed itself to the first innovator. Often—I know of several cases of the sort—regular legends of mysterious shady spots in his previous life have been produced. It is very easy not to recognize that only an unusually strong character could save an entrepreneur of this new type from the loss of his temperate self-control and from both moral and economic shipwreck. Furthermore, along with clarity of vision and ability to act, it is only by virtue of very definite and highly developed ethical qualities that it has been possible for him to command the absolutely indispensable confidence of his customers and workmen. Nothing else could have given him the strength to overcome the innumerable obstacles, above all the infinitely more intensive work which is demanded of the modern entrepreneur. But these are ethical qualities of quite a different sort from those adapted to the traditionalism of the past.

And, as a rule, it has been neither dare-devil and unscrupulous speculators, economic adventurers such as we meet at all periods of economic history, nor simply great financiers who have carried through this change, outwardly so inconspicuous, but nevertheless so decisive for the penetration of economic life with the new spirit. On the contrary, they were men who had grown up in the hard school of life, calculating and daring at the same time, above all temperate and reliable, shrewd and completely devoted to their business, with strictly bourgeois opinions and principles.

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One is tempted to think that these personal moral qualities have not the slightest relation to any ethical maxims, to say nothing of religious ideas, but that the essential relation between them is negative. The ability to free oneself from the common tradition, a sort of liberal enlightenment, seems likely to be the most suitable basis for such a business man's success. And to-day that is generally precisely the case. Any relationship between religious beliefs and conduct is generally absent, and where any exists, at least in Germany, it tends to be of the negative sort. The people filled with the spirit of capitalism to-day tend to be indifferent, if not hostile, to the Church. The thought of the pious boredom of paradise has little attraction for their active natures; religion appears to them as a means of drawing people away from labour in this world. If you ask them what is the meaning of their restless activity, why they are never satisfied with what they have, thus appearing so senseless to any purely worldly view of life, they would perhaps give the answer, if they know any at all: "to provide for my children and grandchildren". But more often and, since that motive is not peculiar to them, but was just as effective for the traditionalist, more correctly, simply: that business with its continuous work has become a necessary part of their lives. That is in fact the only possible motivation, but it at the same time expresses what is, seen from the view-point of personal happiness, so irrational about this sort of life, where a man exists for the sake of his business, instead of the reverse.

Of course, the desire for the power and recognition which the mere fact of wealth brings plays its part.

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When the imagination of a whole people has once been turned toward purely quantitative bigness, as in the United States, this romanticism of numbers exercises an irresistible appeal to the poets among business men. Otherwise it is in general not the real leaders, and especially not the permanently successful entrepreneurs, who are taken in by it. In particular, the resort to entailed estates and the nobility, with sons whose conduct at the university and in the officers' corps tries to cover up their social origin, as has been the typical history of German capitalistic parvenu families, is a product of later decadence. The ideal type²⁸ of the capitalistic entrepreneur, as it has been represented even in Germany by occasional outstanding examples, has no relation to such more or less refined climbers. He avoids ostentation and unnecessary expenditure, as well as conscious enjoyment of his power, and is embarrassed by the outward signs of the social recognition which he receives. His manner of life is, in other words, often, and we shall have to investigate the historical significance of just this important fact, distinguished by a certain ascetic tendency, as appears clearly enough in the sermon of Franklin which we have quoted. It is, namely, by no means exceptional, but rather the rule, for him to have a sort of modesty which is essentially more honest than the reserve which Franklin so shrewdly recommends. He gets nothing out of his wealth for himself, except the irrational sense of having done his job well.

But it is just that which seems to the pre-capitalistic man so incomprehensible and mysterious, so unworthy and contemptible. That anyone should be able to make

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it the sole purpose of his life-work, to sink into the grave weighed down with a great material load of money and goods, seems to him explicable only as the product of a perverse instinct, the *auri sacra fames*.

At present under our individualistic political, legal, and economic institutions, with the forms of organization and general structure which are peculiar to our economic order, this spirit of capitalism might be understandable, as has been said, purely as a result of adaptation. The capitalistic system so needs this devotion to the calling of making money, it is an attitude toward material goods which is so well suited to that system, so intimately bound up with the conditions of survival in the economic struggle for existence, that there can to-day no longer be any question of a necessary connection of that acquisitive manner of life with any single *Weltanschauung*. In fact, it no longer needs the support of any religious forces, and feels the attempts of religion to influence economic life, in so far as they can still be felt at all, to be as much an unjustified interference as its regulation by the State. In such circumstances men's commercial and social interests do tend to determine their opinions and attitudes. Whoever does not adapt his manner of life to the conditions of capitalistic success must go under, or at least cannot rise. But these are phenomena of a time in which modern capitalism has become dominant and has become emancipated from its old supports. But as it could at one time destroy the old forms of mediæval regulation of economic life only in alliance with the growing power of the modern State, the same, we may say provisionally, may have been the case in

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its relations with religious forces. Whether and in what sense that was the case, it is our task to investigate. For that the conception of money-making as an end in itself to which people were bound, as a calling, was contrary to the ethical feelings of whole epochs, it is hardly necessary to prove. The dogma *Deo placere vix potest* which was incorporated into the canon law and applied to the activities of the merchant, and which at that time (like the passage in the gospel about interest)²⁹ was considered genuine, as well as St. Thomas's characterization of the desire for gain as *turpitude* (which term even included unavoidable and hence ethically justified profit-making), already contained a high degree of concession on the part of the Catholic doctrine to the financial powers with which the Church had such intimate political relations in the Italian cities,³⁰ as compared with the much more radically anti-chrematistic views of comparatively wide circles. But even where the doctrine was still better accommodated to the facts, as for instance with Anthony of Florence, the feeling was never quite overcome, that activity directed to acquisition for its own sake was at bottom a *pudendum* which was to be tolerated only because of the unalterable necessities of life in this world.

Some moralists of that time, especially of the nominalistic school, accepted developed capitalistic business forms as inevitable, and attempted to justify them, especially commerce, as necessary. The *industria* developed in it they were able to regard, though not without contradictions, as a legitimate source of profit, and hence ethically unobjectionable. But the dominant

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doctrine rejected the spirit of capitalistic acquisition as *turpitude*, or at least could not give it a positive ethical sanction. An ethical attitude like that of Benjamin Franklin would have been simply unthinkable. This was, above all, the attitude of capitalistic circles themselves. Their life-work was, so long as they clung to the tradition of the Church, at best something morally indifferent. It was tolerated, but was still, even if only on account of the continual danger of collision with the Church's doctrine on usury, somewhat dangerous to salvation. Quite considerable sums, as the sources show, went at the death of rich people to religious institutions as conscience money, at times even back to former debtors as *usura* which had been unjustly taken from them. It was otherwise, along with heretical and other tendencies looked upon with disapproval, only in those parts of the commercial aristocracy which were already emancipated from the tradition. But even sceptics and people indifferent to the Church often reconciled themselves with it by gifts, because it was a sort of insurance against the uncertainties of what might come after death, or because (at least according to the very widely held latter view) an external obedience to the commands of the Church was sufficient to insure salvation.³¹ Here the either non-moral or immoral character of their action in the opinion of the participants themselves comes clearly to light.

Now, how could activity, which was at best ethically tolerated, turn into a calling in the sense of Benjamin Franklin? The fact to be explained historically is that in the most highly capitalistic centre of that time, in

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Florence of the fourteenth and fifteenth centuries, the money and capital market of all the great political Powers, this attitude was considered ethically unjustifiable, or at best to be tolerated. But in the backwoods small bourgeois circumstances of Pennsylvania in the eighteenth century, where business threatened for simple lack of money to fall back into barter, where there was hardly a sign of large enterprise, where only the earliest beginnings of banking were to be found, the same thing was considered the essence of moral conduct, even commanded in the name of duty. To speak here of a reflection of material conditions in the ideal superstructure would be patent nonsense. What was the background of ideas which could account for the sort of activity apparently directed toward profit alone as a calling toward which the individual feels himself to have an ethical obligation? For it was this idea which gave the way of life of the new entrepreneur its ethical foundation and justification.

The attempt has been made, particularly by Sombart, in what are often judicious and effective observations, to depict economic rationalism as the salient feature of modern economic life as a whole. Undoubtedly with justification, if by that is meant the extension of the productivity of labour which has, through the subordination of the process of production to scientific points of view, relieved it from its dependence upon the natural organic limitations of the human individual. Now this process of rationalization in the field of technique and economic organization undoubtedly determines an important part of the ideals of life of modern bourgeois society. Labour in the service of a

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rational organization for the provision of humanity with material goods has without doubt always appeared to representatives of the capitalistic spirit as one of the most important purposes of their life-work. It is only necessary, for instance, to read Franklin's account of his efforts in the service of civic improvements in Philadelphia clearly to apprehend this obvious truth. And the joy and pride of having given employment to numerous people, of having had a part in the economic progress of his home town in the sense referring to figures of population and volume of trade which capitalism associated with the word, all these things obviously are part of the specific and undoubtedly idealistic satisfactions in life to modern men of business. Similarly it is one of the fundamental characteristics of an individualistic capitalistic economy that it is rationalized on the basis of rigorous calculation, directed with foresight and caution toward the economic success which is sought in sharp contrast to the hand-to-mouth existence of the peasant, and to the privileged traditionalism of the guild craftsman and of the adventurers' capitalism, oriented to the exploitation of political opportunities and irrational speculation.

It might thus seem that the development of the spirit of capitalism is best understood as part of the development of rationalism as a whole, and could be deduced from the fundamental position of rationalism on the basic problems of life. In the process Protestantism would only have to be considered in so far as it had formed a stage prior to the development of a purely rationalistic philosophy. But any serious attempt to carry this thesis through makes it evident that such a

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simple way of putting the question will not work, simply because of the fact that the history of rationalism shows a development which by no means follows parallel lines in the various departments of life. The rationalization of private law, for instance, if it is thought of as a logical simplification and rearrangement of the content of the law, was achieved in the highest hitherto known degree in the Roman law of late antiquity. But it remained most backward in some of the countries with the highest degree of economic rationalization, notably in England, where the Renaissance of Roman Law was overcome by the power of the great legal corporations, while it has always retained its supremacy in the Catholic countries of Southern Europe. The worldly rational philosophy of the eighteenth century did not find favour alone or even principally in the countries of highest capitalistic development. The doctrines of Voltaire are even to-day the common property of broad upper, and what is practically more important, middle-class groups in the Romance Catholic countries. Finally, if under practical rationalism is understood the type of attitude which sees and judges the world consciously in terms of the worldly interests of the individual ego, then this view of life was and is the special peculiarity of the peoples of the *liberum arbitrium*, such as the Italians and the French are in very flesh and blood. But we have already convinced ourselves that this is by no means the soil in which that relationship of a man to his calling as a task, which is necessary to capitalism, has pre-eminently grown. In fact, one may—this simple proposition, which is often forgotten, should be placed

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at the beginning of every study which essays to deal with rationalism—rationalize life from fundamentally different basic points of view and in very different directions. Rationalism is an historical concept which covers a whole world of different things. It will be our task to find out whose intellectual child the particular concrete form of rational thought was, from which the idea of a calling and the devotion to labour in the calling has grown, which is, as we have seen, so irrational from the standpoint of purely eudæmonistic self-interest, but which has been and still is one of the most characteristic elements of our capitalistic culture. We are here particularly interested in the origin of precisely the irrational element which lies in this, as in every conception of a calling.

of view, oppose certain progressive features of capitalistic development, for instance, the transition from domestic industry to the factory system. What a religion has sought after as an ideal, and what the actual result of its influence on the lives of its adherents has been, must be sharply distinguished, as we shall often see in the course of our discussion. On the specific adaptation of Pietists to industrial labour, I have given examples from a Westphalian factory in my article, "Zur Psychophysik der gewerblichen Arbeit", *Archiv für Sozialwissenschaft und Sozialpolitik*, XXVIII, and at various other times.

CHAPTER II

1. These passages represent a very brief summary of some aspects of Weber's methodological views. At about the same time that he wrote this essay he was engaged in a thorough criticism and re-valuation of the methods of the Social Sciences, the result of which was a point of view in many ways different from the prevailing one, especially outside of Germany. In order thoroughly to understand the significance of this essay in its wider bearings on Weber's sociological work as a whole it is necessary to know what his methodological aims were. Most of his writings on this subject have been assembled since his death (in 1920) in the volume *Gesammelte Aufsätze zur Wissenschaftslehre*. A shorter exposition of the main position is contained in the opening chapters of *Wirtschaft und Gesellschaft, Grundriss der Sozialökonomik*, III.—TRANSLATOR'S NOTE.

2. The final passage is from *Necessary Hints to Those That Would Be Rich* (written 1736, Works, Sparks edition, II, p. 80), the rest from *Advice to a Young Tradesman* (written 1748, Sparks edition, II, pp. 87 ff.). The italics in the text are Franklin's.

3. *Der Amerikamüde* (Frankfurt, 1855), well known to be an imaginative paraphrase of Lenau's impressions of America. As a work of art the book would to-day be somewhat difficult to enjoy, but it is incomparable as a document of the (now long since blurred-over) differences between the German and the American outlook, one may even say of the type of spiritual life which, in spite of everything, has remained common to all Germans, Catholic and Protestant alike, since the German mysticism of the Middle Ages, as against the Puritan capitalistic valuation of action.

4. Sombart has used this quotation as a motto for his section dealing with the genesis of capitalism (*Der moderne Kapitalismus*, first edition, I, p. 193. See also p. 390).

5. Which quite obviously does not mean either that Jacob Fugger was a morally indifferent or an irreligious man, or that Benjamin Franklin's ethic is completely covered by the above quotations. It scarcely required Brentano's quotations (*Die Anfänge des modernen Kapitalismus*, pp. 150 ff.) to protect this well-known philanthropist

from the misunderstanding which Brentano seems to attribute to me. The problem is just the reverse: how could such a philanthropist come to write these particular sentences (the especially characteristic form of which Brentano has neglected to reproduce) in the manner of a moralist?

6. This is the basis of our difference from Sombart in stating the problem. Its very considerable practical significance will become clear later. In anticipation, however, let it be remarked that Sombart has by no means neglected this ethical aspect of the capitalistic entrepreneur. But in his view of the problem it appears as a result of capitalism, whereas for our purposes we must assume the opposite as an hypothesis. A final position can only be taken up at the end of the investigation. For Sombart's view see *op. cit.*, pp. 357, 380, etc. His reasoning here connects with the brilliant analysis given in Simmel's *Philosophie des Geldes* (final chapter). Of the polemics which he has brought forward against me in his *Bourgeois* I shall come to speak later. At this point any thorough discussion must be postponed.

7. "I grew convinced that truth, sincerity, and integrity in dealings between man and man were of the utmost importance to the felicity of life; and I formed written resolutions, which still remain in my journal book to practise them ever while I lived. Revelation had indeed no weight with me as such; but I entertained an opinion that, though certain actions might not be bad because they were forbidden by it, or good because it commanded them, yet probably these actions might be forbidden because they were bad for us, or commanded because they were beneficial to us in their own nature, all the circumstances of things considered." *Autobiography* (ed. F. W. Pine, Henry Holt, New York, 1916), p. 112.

8. "I therefore put myself as much as I could out of sight and started it"—that is the project of a library which he had initiated—"as a scheme of a *number of friends*, who had requested me to go about and propose it to such as they thought lovers of reading. In this way my affair went on smoothly, and I ever after practised it on such occasions; and from my frequent successes, can heartily recommend it. The present little sacrifice of your vanity will afterwards be amply repaid. If it remains awhile uncertain to whom the merit belongs, someone more vain than yourself will be encouraged to claim it, and then even envy will be disposed to do you justice by plucking those assumed feathers and restoring them to their right owner." *Autobiography*, p. 140.

9. Brentano (*op. cit.*, pp. 125, 127, note 1) takes this remark as an occasion to criticize the later discussion of "that rationalization and discipline" to which worldly asceticism¹ has subjected men. That,

¹ This seemingly paradoxical term has been the best translation I could find for Weber's *innerweltliche Askese*, which means asceticism

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he says, is a rationalization toward an irrational mode of life. He is, in fact, quite correct. A thing is never irrational in itself, but only from a particular rational point of view. For the unbeliever every religious way of life is irrational, for the hedonist every ascetic standard, no matter whether, measured with respect to its particular basic values, that opposing asceticism is a rationalization. If this essay makes any contribution at all, may it be to bring out the complexity of the only superficially simple concept of the rational.

10. In reply to Brentano's (*Die Anfänge des modernen Kapitalismus*, pp. 150 ff.) long and somewhat inaccurate apologia for Franklin, whose ethical qualities I am supposed to have misunderstood, I refer only to this statement, which should, in my opinion, have been sufficient to make that apologia superfluous.

11. The two terms profession and calling I have used in translation of the German *Beruf*, whichever seemed best to fit the particular context. Vocation does not carry the ethical connotation in which Weber is interested. It is especially to be remembered that profession in this sense is not contrasted with business, but it refers to a particular attitude toward one's occupation, no matter what that occupation may be. This should become abundantly clear from the whole of Weber's argument.—TRANSLATOR'S NOTE.

12. I make use of this opportunity to insert a few anti-critical remarks in advance of the main argument. Sombart (*Bourgeois*) makes the untenable statement that this ethic of Franklin is a word-for-word repetition of some writings of that great and versatile genius of the Renaissance, Leon Battista Alberti, who besides theoretical treatises on Mathematics, Sculpture, Painting, Architecture, and Love (he was personally a woman-hater), wrote a work in four books on household management (*Della Famiglia*). (Unfortunately, I have not at the time of writing been able to procure the edition of Mancini, but only the older one of Bonucci.) The passage from Franklin is printed above word for word. Where then are corresponding passages to be found in Alberti's work, especially the maxim "time is money", which stands at the head, and the exhortations which follow it? The only passage which, so far as I know, bears the slightest resemblance to it is found towards the end of the first book of *Della Famiglia* (ed. Bonucci, II, p. 353), where Alberti speaks in very general terms of money as the *nervus rerum* of the household, which must hence

practised within the world as contrasted with *ausserweltliche Askese*, which withdraws from the world (for instance into a monastery). Their precise meaning will appear in the course of Weber's discussion. It is one of the prime points of his essay that asceticism does not need to flee from the world to be ascetic. I shall consistently employ the terms worldly and otherworldly to denote the contrast between the two kinds of asceticism.—TRANSLATOR'S NOTE.

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be handled with special care, just as Cato spoke in *De Re Rustica*. To treat Alberti, who was very proud of his descent from one of the most distinguished cavalier families of Florence (*Nobilissimi Cavalieri*, *op. cit.*, pp. 213, 228, 247, etc.), as a man of mongrel blood who was filled with envy for the noble families because his illegitimate birth, which was not in the least socially disqualifying, excluded him as a bourgeois from association with the nobility, is quite incorrect. It is true that the recommendation of large enterprises as alone worthy of a *nobile è onesta famiglia* and a *libero è nobile animo*, and as costing less labour is characteristic of Alberti (p. 209; compare *Del governo della Famiglia*, IV, p. 55, as well as p. 116 in the edition for the Pandolfini). Hence the best thing is a putting-out business for wool and silk. Also an ordered and painstaking regulation of his household, i.e. the limiting of expenditure to income. This is the *santa masserizia*, which is thus primarily a principle of maintenance, a given standard of life, and not of acquisition (as no one should have understood better than Sombart). Similarly, in the discussion of the nature of money, his concern is with the management of consumption funds (money or *possessioni*), not with that of capital; all that is clear from the expression of it which is put into the mouth of Gianozzo. He recommends, as protection against the uncertainty of *fortuna*, early habituation to continuous activity, which is also (pp. 73-4) alone healthy in the long run, *in cose magnifiche è ample*, and avoidance of laziness, which always endangers the maintenance of one's position in the world. Hence a careful study of a suitable trade in case of a change of fortune, but every *opera mercenaria* is unsuitable (*op. cit.*, I, p. 209). His idea of *tranquillità dell' animo* and his strong tendency toward the Epicurean *λάθε βιώσας* (*vivere a sè stesso*, p. 262); especially his dislike of any office (p. 258) as a source of unrest, of making enemies, and of becoming involved in dishonourable dealings; the ideal of life in a country villa; his nourishment of vanity through the thought of his ancestors; and his treatment of the honour of the family (which on that account should keep its fortune together in the Florentine manner and not divide it up) as a decisive standard and ideal—all these things would in the eyes of every Puritan have been sinful idolatry of the flesh, and in those of Benjamin Franklin the expression of incomprehensible aristocratic nonsense. Note, further, the very high opinion of literary things (for the *industria* is applied principally to literary and scientific work), which is really most worthy of a man's efforts. And the expression of the *masserizia*, in the sense of "rational conduct of the household" as the means of living independently of others and avoiding destitution, is in general put only in the mouth of the illiterate Gianozzo as of equal value. Thus the origin of this concept, which comes (see below) from monastic ethics, is traced back to an old priest (p. 249).

Now compare all this with the ethic and manner of life of Benjamin

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Franklin, and especially of his Puritan ancestors; the works of the Renaissance *littérateur* addressing himself to the humanistic aristocracy, with Franklin's works addressed to the masses of the lower middle class (he especially mentions clerks) and with the tracts and sermons of the Puritans, in order to comprehend the depth of the difference. The economic rationalism of Alberti, everywhere supported by references to ancient authors, is most clearly related to the treatment of economic problems in the works of Xenophon (whom he did not know), of Cato, Varro, and Columella (all of whom he quotes), except that especially in Cato and Varro, *acquisition* as such stands in the foreground in a different way from that to be found in Alberti. Furthermore, the very occasional comments of Alberti on the use of the *fattori*, their division of labour and discipline, on the unreliability of the peasants, etc., really sound as if Cato's homely wisdom were taken from the field of the ancient slave-using household and applied to that of free labour in domestic industry and the metayer system. When Sombart (whose reference to the Stoic ethic is quite misleading) sees economic rationalism as "developed to its farthest conclusions" as early as Cato, he is, with a correct interpretation, not entirely wrong. It is possible to unite the *diligens pater familias* of the Romans with the ideal of the *massajo* of Alberti under the same category. It is above all characteristic for Cato that a landed estate is valued and judged as an object for the investment of consumption funds. The concept of *industria*, on the other hand, is differently coloured on account of Christian influence. And there is just the difference. In the conception of *industria*, which comes from monastic asceticism and which was developed by monastic writers, lies the seed of an *ethos* which was fully developed later in the Protestant worldly asceticism. Hence, as we shall often point out, the relationship of the two, which, however, is less close to the official Church doctrine of St. Thomas than to the Florentine and Siennese mendicant-moralists. In Cato and also in Alberti's own writings this *ethos* is lacking; for both it is a matter of worldly wisdom, not of ethic. In Franklin there is also a utilitarian strain. But the ethical quality of the sermon to young business men is impossible to mistake, and that is the characteristic thing. A lack of care in the handling of money means to him that one so to speak murders capital embryos, and hence it is an ethical defect.

An inner relationship of the two (Alberti and Franklin) exists in fact only in so far as Alberti, whom Sombart calls pious, but who actually, although he took the sacraments and held a Roman benefice, like so many humanists, did not himself (except for two quite colourless passages) in any way make use of religious motives as a justification of the manner of life he recommended, had not yet, Franklin on the other hand no longer, related his recommendation of economy to religious conceptions. Utilitarianism, in Alberti's preference for

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wool and silk manufacture, also the mercantilist social utilitarianism "that many people should be given employment" (see Alberti, *op. cit.*, p. 292), is in this field at least formally the sole justification for the one as for the other. Alberti's discussions of this subject form an excellent example of the sort of economic rationalism which really existed as a reflection of economic conditions, in the work of authors interested purely in "the thing for its own sake" everywhere and at all times; in the Chinese classicism and in Greece and Rome no less than in the Renaissance and the age of the Enlightenment. There is no doubt that just as in ancient times with Cato, Varro, and Columella, also here with Alberti and others of the same type, especially in the doctrine of *industria*, a sort of economic rationality is highly developed. But how can anyone believe that such a literary *theory* could develop into a revolutionary force at all comparable to the way in which a religious belief was able to set the sanctions of salvation and damnation on the fulfillment of a particular (in this case methodically rationalized) manner of life? What, as compared with it, a really religiously oriented rationalization of conduct looks like, may be seen, outside of the Puritans of all denominations, in the cases of the Jains, the Jews, certain ascetic sects of the Middle Ages, the Bohemian Brothers (an offshoot of the Hussite movement), the Skoptsi and Stundists in Russia, and numerous monastic orders, however much all these may differ from each other.

The essential point of the difference is (to anticipate) that an ethic based on religion places certain psychological sanctions (not of an economic character) on the maintenance of the attitude prescribed by it, sanctions which, so long as the religious belief remains alive, are highly effective, and which mere worldly wisdom like that of Alberti does not have at its disposal. Only in so far as these sanctions work, and, above all, in the direction in which they work, which is often very different from the doctrine of the theologians, does such an ethic gain an independent influence on the conduct of life and thus on the economic order. This is, to speak frankly, the point of this whole essay, which I had not expected to find so completely overlooked.

Later on I shall come to speak of the theological moralists of the late Middle Ages, who were relatively friendly to capital (especially Anthony of Florence and Bernhard of Siena), and whom Sombart has also seriously misinterpreted. In any case Alberti did not belong to that group. Only the concept of *industria* did he take from monastic lines of thought, no matter through what intermediate links. Alberti, Pandolfini, and their kind are representatives of that attitude which, in spite of all its outward obedience, was inwardly already emancipated from the tradition of the Church. With all its resemblance to the current Christian ethic, it was to a large extent of the antique pagan character, which Brentano thinks I have ignored in its significance for the development of modern economic thought (and

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also modern economic policy). That I do not deal with its influence here is quite true. It would be out of place in a study of the Protestant ethic and the spirit of capitalism. But, as will appear in a different connection, far from denying its significance, I have been and am for good reasons of the opinion that its sphere and direction of influence were entirely different from those of the Protestant ethic (of which the spiritual ancestry, of no small practical importance, lies in the sects and in the ethics of Wyclif and Hus). It was not the mode of life of the rising bourgeoisie which was influenced by this other attitude, but the policy of statesmen and princes; and these two partly, but by no means always, convergent lines of development should for purposes of analysis be kept perfectly distinct. So far as Franklin is concerned, his tracts of advice to business men, at present used for school reading in America, belong in fact to a category of works which have influenced practical life, far more than Alberti's large book, which hardly became known outside of learned circles. But I have expressly denoted him as a man who stood beyond the direct influence of the Puritan view of life, which had paled considerably in the meantime, just as the whole English enlightenment, the relations of which to Puritanism have often been set forth.

13. Unfortunately Brentano (*op. cit.*) has thrown every kind of struggle for gain, whether peaceful or warlike, into one pot, and has then set up as the specific criterion of capitalistic (as contrasted, for instance, with feudal) profit-seeking, its acquisitiveness of money (instead of land). Any further differentiation, which alone could lead to a clear conception, he has not only refused to make, but has made against the concept of the spirit of (modern) capitalism which we have formed for our purposes, the (to me) incomprehensible objection that it already includes in its assumptions what is supposed to be proved.

14. Compare the, in every respect, excellent observations of Sombart, *Die deutsche Volkswirtschaft im 19ten Jahrhundert*, p. 123. In general I do not need specially to point out, although the following studies go back in their most important points of view to much older work, how much they owe in their development to the mere existence of Sombart's important works, with their pointed formulations and this even, perhaps especially, where they take a different road. Even those who feel themselves continually and decisively disagreeing with Sombart's views, and who reject many of his theses, have the duty to do so only after a thorough study of his work.

15. Of course we cannot here enter into the question of where these limits lie, nor can we evaluate the familiar theory of the relation between high wages and the high productivity of labour which was first suggested by Brassey, formulated and maintained theoretically by Brentano, and both historically and theoretically by Schulze-Gaevernitz. The discussion was again opened by Hasbach's penetrating studies (*Schmollers Jahrbuch*, 1903, pp. 385-91 and 417 ff.),

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and is not yet finally settled. For us it is here sufficient to assent to the fact which is not, and cannot be, doubted by anyone, that low wages and high profits, low wages and favourable opportunities for industrial development, are at least not simply identical, that generally speaking training for capitalistic culture, and with it the possibility of capitalism as an economic system, are not brought about simply through mechanical financial operations. All examples are purely illustrative.

16. It must be remembered that this was written twenty-five years ago, when the above statement was by no means the commonplace that it is now, even among economists, to say nothing of business men.—TRANSLATOR'S NOTE.

17. The establishment even of capitalistic industries has hence often not been possible without large migratory movements from areas of older culture. However correct Sombart's remarks on the difference between the personal skill and trade secrets of the handicraftsman and the scientific, objective modern technique may be, at the time of the rise of capitalism the difference hardly existed. In fact the, so to speak, ethical qualities of the capitalistic workman (and to a certain extent also of the entrepreneur) often had a higher scarcity value than the skill of the craftsman, crystallized in traditions hundreds of years old. And even present-day industry is not yet by any means entirely independent in its choice of location of such qualities of the population, acquired by long-standing tradition and education in intensive labour. It is congenial to the scientific prejudices of to-day, when such a dependence is observed to ascribe it to congenital racial qualities rather than to tradition and education, in my opinion with very doubtful validity.

18. See my "Zur Psychophysik der gewerblichen Arbeit", *Archiv für Sozialwissenschaft und Sozialpolitik*, XXVIII.

19. The foregoing observations might be misunderstood. The tendency of a well-known type of business man to use the belief that "religion must be maintained for the people" for his own purpose, and the earlier not uncommon willingness of large numbers, especially of the Lutheran clergy, from a general sympathy with authority, to offer themselves as black police when they wished to brand the strike as sin and trade unions as furtherers of cupidity, all these are things with which our present problem has nothing to do. The factors discussed in the text do not concern occasional but very common facts, which, as we shall see, continually recur in a typical manner.

20. *Der moderne Kapitalismus*, first edition, I, p. 62.

21. *Ibid.*, p. 195.

22. Naturally that of the modern rational enterprise peculiar to the Occident, not of the sort of capitalism spread over the world for three thousand years, from China, India, Babylon, Greece, Rome, Florence, to the present, carried on by usurers, military contractors,

traders in offices, tax-farmers, large merchants, and financial magnates. See the Introduction.

23. The assumption is thus by no means justified *a priori*, that is all I wish to bring out here, that on the one hand the technique of the capitalistic enterprise, and on the other the spirit of professional work which gives to capitalism its expansive energy, must have had their original roots in the same social classes. Similarly with the social relationships of religious beliefs. Calvinism was historically one of the agents of education in the spirit of capitalism. But in the Netherlands, the large moneyed interests were, for reasons which will be discussed later, not predominately adherents of strict Calvinism, but Arminians. The rising middle and small bourgeoisie, from which entrepreneurs were principally recruited, were for the most part here and elsewhere typical representatives both of capitalistic ethics and of Calvinistic religion. But that fits in very well with our present thesis: there were at all times large bankers and merchants. But a rational capitalistic organization of industrial labour was never known until the transition from the Middle Ages to modern times took place.

24. On this point see the good Zurich dissertation of J. Maliniak (1913).

25. The following picture has been put together as an ideal type from conditions found in different industrial branches and at different places. For the purposes of illustration which it here serves, it is of course of no consequence that the process has not in any one of the examples we have in mind taken place in precisely the manner we have described.

26. For this reason, among others, it is not by chance that this first period of incipient (economic) rationalism in German industry was accompanied by certain other phenomena, for instance the catastrophic degradation of taste in the style of articles of everyday use.

27. This is not to be understood as a claim that changes in the supply of the precious metals are of no economic importance.

28. This is only meant to refer to the type of entrepreneur (business man) whom we are making the object of our study, not any empirical average type. On the concept of the ideal type see my discussion in the *Archiv für Sozialwissenschaft und Sozialpolitik*, XIX, No. 1. (Republished since Weber's death in the *Gesammelte Aufsätze zur Wissenschaftslehre*. The concept was first thoroughly developed by Weber himself in these essays, and is likely to be unfamiliar to non-German readers. It is one of the most important aspects of Weber's methodological work, referred to in a note above.—TRANSLATOR'S NOTE.)

29. This is perhaps the most appropriate place to make a few remarks concerning the essay of F. Keller, already referred to (volume 12 of the publications of the Görres-Gesellschaft), and Sombart's observations (*Der Bourgeois*) in following it up, so far as they are relevant in the present context. That an author should

criticize a study in which the canonical prohibition of interest (except in one incidental remark which has no connection with the general argument) is not even mentioned, on the assumption that this prohibition of interest, which has a parallel in almost every religious ethic in the world, is taken to be the decisive criterion of the difference between the Catholic and Protestant ethics, is almost inconceivable. One should really only criticize things which one has read, or the argument of which, if read, one has not already forgotten. The campaign against *usuraria pravitas* runs through both the Huguenot and the Dutch Church history of the sixteenth century; Lombards, i.e. bankers, were by virtue of that fact alone often excluded from communion (see Chap. I, note 17). The more liberal attitude of Calvin (which did not, however, prevent the inclusion of regulations against usury in the first plan of the ordinances) did not gain a definite victory until Salmasius. Hence the difference did not lie at this point; quite the contrary. But still worse are the author's own arguments on this point. Compared to the works of Funck and other Catholic scholars (which he has not, in my opinion, taken as fully into consideration as they deserve), and the investigations of Endemann, which, however obsolete in certain points to-day, are still fundamental, they make a painful impression of superficiality. To be sure, Keller has abstained from such excesses as the remarks of Sombart (*Der Bourgeois*, p. 321) that one noticed how the "pious gentlemen" (Bernard of Siena and Anthony of Florence) "wished to excite the spirit of enterprise by every possible means", that is, since they, just like nearly everyone else concerned with the prohibition of interest, interpreted it in such a way as to exempt what we should call the productive investment of capital. That Sombart, on the one hand, places the Romans among the heroic peoples, and on the other, what is for his work as a whole an impossible contradiction, considers economic rationalism to have been developed to its final consequences in Cato (p. 267), may be mentioned by the way as a symptom that this is a book with a thesis in the worst sense.

He has also completely misrepresented the significance of the prohibition of interest. This cannot be set forth here in detail. At one time it was often exaggerated, then strongly underestimated, and now, in an era which produces Catholic millionaires as well as Protestant, has been turned upside down for apologetic purposes. As is well known, it was not, in spite of Biblical authority, abolished until the last century by order of the *Congregatio S. Officii*, and then only *temporum ratione habita* and indirectly, namely, by forbidding confessors to worry their charges by questions about *usuraria pravitas*, even though no claim to obedience was given up in case it should be restored. Anyone who has made a thorough study of the extremely complicated history of the doctrine cannot claim, considering the endless controversies over, for instance, the justification of the

purchase of bonds, the discounting of notes and various other contracts (and above all considering the order of the *Congregatio S. Officii*, mentioned above, concerning a municipal loan), that the prohibition of interest was only intended to apply to emergency loans, nor that it had the intention of preserving capital, or that it was even an aid to capitalistic enterprise (p. 25). The truth is that the Church came to reconsider the prohibition of interest comparatively late. At the time when this happened the forms of purely business investment were not loans at fixed interest rate, but the *fœnus nauticum*, *commenda societatis maris*, and the *dare ad proficuum de mari* (a loan in which the shares of gain and loss were adjusted according to degrees of risk), and were, considering the character of the return on loans to productive enterprise, necessarily of that sort. These were not (or only according to a few rigorous canonists) held to fall under the ban, but when investment at a definite rate of interest and discounting became possible and customary, the first sort of loans also encountered very troublesome difficulties from the prohibition, which led to various drastic measures of the merchant guilds (black lists). But the treatment of usury on the part of the canonists was generally purely legal and formal, and was certainly free from any such tendency to protect capital as Keller ascribes to it. Finally, in so far as any attitude towards capitalism as such can be ascertained, the decisive factors were: on the one hand, a traditional, mostly inarticulate hostility towards the growing power of capital which was impersonal, and hence not readily amenable to ethical control (as it is still reflected in Luther's pronouncements about the Fuggers and about the banking business); on the other hand, the necessity of accommodation to practical needs. But we cannot discuss this, for, as has been said, the prohibition of usury and its fate can have at most a symptomatic significance for us, and that only to a limited degree.

The economic ethic of the Scotists, and especially of certain mendicant theologians of the fourteenth century, above all Bernhard of Siena and Anthony of Florence, that is monks with a specifically rational type of asceticism, undoubtedly deserves a separate treatment, and cannot be disposed of incidentally in our discussion. Otherwise I should be forced here, in reply to criticism, to anticipate what I have to say in my discussion of the economic ethics of Catholicism in its positive relations to capitalism. These authors attempt, and in that anticipate some of the Jesuits, to present the profit of the merchant as a reward for his *industria*, and thus ethically to justify it. (Of course, even Keller cannot claim more.)

The concept and the approval of *industria* come, of course, in the last analysis from monastic asceticism, probably also from the idea of *masserizia*, which Alberti, as he himself says through the mouth of Gianozzo, takes over from clerical sources. We shall later speak more fully of the sense in which the monastic ethics is a forerunner

of the worldly ascetic denominations of Protestantism. In Greece, among the Cynics, as shown by late-Hellenic tombstone inscriptions, and, with an entirely different background, in Egypt, there were suggestions of similar ideas. But what is for us the most important thing is entirely lacking both here and in the case of Alberti. As we shall see later, the characteristic Protestant conception of the proof of one's own salvation, the *certitudo salutis* in a calling, provided the psychological sanctions which this religious belief put behind the *industria*. But that Catholicism could not supply, because its means to salvation were different. In effect these authors are concerned with an ethical doctrine, not with motives to practical action, dependent on the desire for salvation. Furthermore, they are, as is very easy to see, concerned with concessions to practical necessity, not, as was worldly asceticism, with deductions from fundamental religious postulates. (Incidentally, Anthony and Bernhard have long ago been better dealt with than by Keller.) And even these concessions have remained an object of controversy down to the present. Nevertheless the significance of these monastic ethical conceptions as symptoms is by no means small.

But the real roots of the religious ethics which led the way to the modern conception of a calling lay in the sects and the heterodox movements, above all in Wyclif; although Brodnitz (*Englische Wirtschaftsgeschichte*), who thinks his influence was so great that Puritanism found nothing left for it to do, greatly overestimates his significance. All that cannot be gone into here. For here we can only discuss incidentally whether and to what extent the Christian ethic of the Middle Ages had in fact already prepared the way for the spirit of capitalism.

30. The words *μηδέν ἀπελπίζοντες* (Luke vi. 35) and the translation of the Vulgate, *nihil inde sperantes*, are thought (according to A. Merx) to be a corruption of *μηδένα ἀπελπίζοντες* (or *meminem desperantes*), and thus to command the granting of loans to all brothers, including the poor, without saying anything at all about interest. The passage *Deo placere vix potest* is now thought to be of Arian origin (which, if true, makes no difference to our contentions).

31. How a compromise with the prohibition of usury was achieved is shown, for example, in Book I, chapter 65, of the statutes of the *Arte di Calimala* (at present I have only the Italian edition in Emiliani-Guidici, *Stor. dei Com. Ital.*, III, p. 246). "Procurino i consoli con quelli frate, che parrà loro, che perdono si faccia e come fare si possa il meglio per l'amore di ciascuno, del dono, merito o guider-dono, ovvero interesse per l'anno presente e secondo che altra volta fatto fue." It is thus a way for the guild to secure exemption for its members on account of their official positions, without defiance of authority. The suggestions immediately following, as well as the immediately preceding idea to book all interest and profits as gifts, are very characteristic of the amoral attitude towards profits on

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capital. To the present stock exchange black list against brokers who hold back the difference between top price and actual selling price, often corresponded the outcry against those who pleaded before the ecclesiastical court with the *exceptio usurariae pravitatis*.

CHAPTER III

1. Of the ancient languages only Hebrew has any similar concept. Most of all in the word עָבָד. It is used for sacerdotal functions (Exod. xxxv. 21; Neh. xi. 22; 1 Chron. ix. 13; xxiii. 4; xxvi. 30), for business in the service of the king (especially 1 Sam. viii. 16; 1 Chron. iv. 23; xxix. 6), for the service of a royal official (Esther iii. 9; ix. 3), of a superintendent of labour (2 Kings xii. 12), of a slave (Gen. xxxix. 11), of labour in the fields (1 Chron. xxvii. 26), of craftsmen (Exod. xxxi. 5; xxxv. 21; Kings vii. 14), for traders (Psa. cvii. 23), and for worldly activity of any kind in the passage, Sirach xi. 20, to be discussed later. The word is derived from the root עָבַד, to send, thus meaning originally a task. That it originated in the ideas current in Solomon's bureaucratic kingdom of serfs (*Fronstaat*), built up as it was according to the Egyptian model, seems evident from the above references. In meaning, however, as I learn from A. Merx, this root concept had become lost even in antiquity. The word came to be used for any sort of labour, and in fact became fully as colourless as the German *Beruf*, with which it shared the fate of being used primarily for mental and not manual functions. The expression (עָבָד), assignment, task, lesson, which also occurs in Sirach xi. 20, and is translated in the Septuagint with *διαθήκη*, is also derived from the terminology of the servile bureaucratic regime of the time, as is עָבָד (Exod. v. 13, cf. Exod. v. 14), where the Septuagint also uses *διαθήκη* for task. In Sirach xliii. 10 it is rendered in the Septuagint with *κρῖμα*. In Sirach xi. 20 it is evidently used to signify the fulfillment of God's commandments, being thus related to our calling. On this passage in Jesus Sirach reference may here be made to Smend's well-known book on Jesus Sirach, and for the words *διαθήκη*, *ἔργον*, *πόρος*, to his *Index zur Weisheit des Jesus Sirach* (Berlin, 1907). As is well known, the Hebrew text of the Book of Sirach was lost, but has been rediscovered by Schechter, and in part supplemented by quotations from the Talmud. Luther did not possess it, and these two Hebrew concepts could not have had any influence on his use of language. (See below on Prov. xxii. 29.)

In Greek there is no term corresponding in ethical connotation to the German or English words at all. Where Luther, quite in the spirit of the modern usage (see below), translates Jesus Sirach xi. 20 and 21, *bleibe in deinem Beruf*, the Septuagint has at one point *ἔργον*, at the other, which however seems to be an entirely corrupt passage,