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# Working Paper No. 71, Max Weber: On Religion and Economic Outcomes

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# Max Weber: On Religion and Economic Outcomes

**Working Paper No. 71**

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**Abstract:** This inquiry seeks to establish that early sociologist Max Weber advances a view that religious faith could indeed affect economic outcomes. In his analysis of Reformed faiths, Weber determines that “the calling” inspired by Martin Luther transformed the work ethic of believers, instilling in them a spirit suitable for the advancement of modern capitalism. The Reformed work ethic observed by Weber served as a basis for individual Protestants to accumulate wealth. Weber also considers the developments of religious asceticism among the faiths of Calvinism, Pietism, Methodism, and the Baptist movements. The ascetic character of these religious communities assisted in generating savings for individuals adhering to Reformed faiths. In addition, Weber examines how these two variables work together to generate positive economic outcomes for those adhering to Reformed faiths.

***Journal of Economic Literature* Classification Codes:** N11, N113, Z12

**Key Words:** Asceticism, Calvinism, Lutheranism, Reformed, Spirit of Capitalism

This inquiry seeks to establish that Max Weber advances a view that religious faith does indeed affect economic outcomes. What can be described as the “Reformed” faiths of Lutheranism and Calvinism had begun to emerge in 16th and 17th century Europe. With these faiths came the doctrines and teachings that inspired Reformed religious followers to pursue a devout life of labor and asceticism. Reformed individuals of the time were primarily concerned with assuring themselves of their own grace and salvation in the eyes of the Lord. The teachings and instruction from Calvinism and Lutheranism would provide followers of the Reformed tradition this assurance and instill in them the qualities necessary to foster a spirit of modern Capitalism. The doctrine of these Reformed faiths would have a significant impact on the way religious individuals lived their lives and pursued what Weber terms “the calling.”

### **The Protestant Pursuit of "The Calling"**

In his published work *The Protestant Ethic and the Spirit of Capitalism* [1904], Max Weber considers the influence the Protestant Reformation had on the work ethic of Reformed believers. In the view of Weber ([1904] 1958, 60-63), prior to the Reformation, laborers operated under a traditionalistic setting where workers primarily exerted themselves in their occupations to maintain their accustomed

lifestyle. This traditionalism can best be illustrated with an agricultural example that Weber notices in the adjustment of a worker's piece rate. Weber (1958, 59-60) observes that increasing an agricultural worker's piece rate from 1 mark per acre to 1.25 marks per acre led to a decrease in the hours of labor worked in a day. Weber (1958, 60) concludes that under the higher piece rate, workers were more inclined to spend fewer hours laboring and earn a sufficient day's wages rather than exert themselves for long hours and make more for that day. Indeed, laborers of this traditionalist period were not interested in pursuing large sums of money and were only concerned with earning enough to maintain their lifestyle.

Another characteristic of this period is the traditional way that businesses operated. According to Weber (1958, 67), entrepreneurs of the traditionalist era were not focused on increasing their businesses' efficiency or product turnover, meaning that they could take comfort in their lifestyle as businessmen. Eventually, this traditional way of life began to slowly fade out of capitalistic enterprise, being replaced by what Weber would describe as a rational pursuit of wealth. The rational pursuit of wealth described by Weber largely represents the new business ethics of the capitalistic enterprises that had begun to emerge. Weber (1958, 68) explains that entrepreneurs were beginning to exercise more rigor in the way that they conducted their businesses. According to Weber (1958, 68), entrepreneurs of this new era were fixated on implementing more efficient ways of employing

labor, attracting customers, and generating interest in their products. This shift from traditionalism to the era that would follow is considered by Weber to stem from developments originating in the Protestant Reformation.

In his research, Weber (1958, 63) notices that certain Reformed religious groups had begun to resist these traditionalist ideas of labor and develop a work ethic more advantageous to the spirit of capitalism. Among these groups were the Reformed traditions of Lutheranism, Calvinism, Pietism, and Methodism. In his analysis, Weber (1958, 80-82) focuses on how the religious doctrine put forth by Martin Luther (1483-1546) inspired Lutherans to pursue labor as a calling. Martin Luther, the founder of the Lutheran tradition, was primarily concerned with how individuals could attain the grace of God. According to Weber (1958, 80-81), Luther's doctrine of justification stated that an individual's salvation could only be achieved by having faith in the gospel and sacraments provided by the church; moreover, Luther opposed the Catholic doctrine that God's grace could be attained through good works as well as faith. Weber (1958, 84-85) recognizes that though Luther did not believe in salvation through good works, he had a high regard for a man's worldly duties and would come to consider an individual's labor as the will of God. At the beginning of Luther's reformed life, he viewed worldly activity in a neutral sense, not ascribing a moral value to a man's activity in the world. Though as he began to develop his doctrine of justification, he began to look more critically

at the worldly activity of man. Weber (1958, 81) explains that Luther viewed the monastic life of Catholics with contempt, feeling that this lifestyle distanced individuals from their worldly obligations to each other. Furthermore, the Catholic monastic lifestyle did nothing to further an individual's justification in the eyes of God. For Luther, labor as a means of salvation was impossible, but labor as a calling from God greatly appealed to him.

Luther's commitment to the calling inspired the doctrine of Lutheranism and influenced the way that Reformed believers regarded their labor. Weber (1958, 85) explains that prior to the Reformation, individuals tended to regard their worldly occupations with indifference. However, following the spread of Lutheranism, Reformed individuals began to view the work that they did on this earth as central to God's chosen path for their lives. Accordingly, Reformed believers had begun abandoning traditional ways of pursuing labor, choosing to completely commit themselves to their callings. Weber (1958, 64) asserts that the Lutheran pursuit of the calling was crucial for developing a spirit of modern capitalism because it encouraged Reformed believers to exercise a rigorous personal attention to their labor and the success of their businesses. Weber (1958, 85) believes that the modern capitalist spirit has been perfected in the work ethic of Reformed believers, who take inspiration from the Lutheran doctrine to pursue labor as a calling. To give one example, Weber (1958, 63) observes the capitalist

spirit in a group of religious Pietistic girls, who possessed a quality of focused attentiveness to their work and the wages that they would earn. Moreover, Weber (1958, 63) also notices that the laboring Methodists of 18th century England exercised their labor with a similar quality of religious intensity. The religious qualities observed in Reformed groups produced a favorable work ethic which resulted in the accumulation of wealth and positive economic outcomes for Reformed individuals.

### **The Protestant's Inclination Towards Worldly Asceticism**

Another factor that contributed to the positive economic outcomes experienced by Protestants is the widespread culture of asceticism. In the view of Weber (1958, 99-101), the Calvinist doctrine of predestination and rational thought had the strongest impact on the culture of worldly asceticism among Protestants. John Calvin (1509-1564), one of the most prominent reformed thinkers of the Protestant Reformation and the founder of Calvinism, is largely responsible for outlining the doctrine of predestination. Weber (1958, 103-104) explains that the doctrine put forth by Calvin establishes that men were not in control of their own salvation. Subsequently, this doctrine implies that God has already chosen who would receive salvation and who would be damned. Much like those in the Lutheran tradition, followers of Calvin were anxious over the status of their salvation, and

their anxieties were multiplied by the unpleasant reality that they had no influence over whether they would be saved. The Catholic and Lutheran traditions provided believers with systems of ensuring their salvation: faith in the gospel, the sacraments, and good works. However, Calvinists had no control over their own salvation and were confronted with the possibility that they could be outside of God's eternal grace. According to Weber (1958, 110) Calvin attempted to ease some of these worries by encouraging believers to have faith and be content with what God has chosen; however, Reformed believers were unsatisfied with Calvin's response and still wondered if there was some way to measure their grace to assure themselves that they were saved in the eyes of God.

Weber (1958, 114-115) writes that Calvin believed that there were certain objective truths that could be observed in one's own life that would indicate the status of their salvation. One of these observable qualities is that an individual would have an "effectual calling" from God. According to Weber (1958, 114-115), Calvinists often pursued work in the world to convince themselves that they had this effectual calling and were chosen by God. Weber (1958, 112) clarifies that though this work did not affect the status of a Protestant's salvation, it did relieve some of the anxiety that came along with the harsh doctrine of predestination. Calvinists began to view their worldly activity more critically, examining their



lifestyles and desire for worldly pleasures. This close examination of their activity in the world resulted in a culture of asceticism among Calvinist believers.

Along with Calvin's doctrine of predestination, his development of rational thought and rejection of Christian mysticism also had a hand in creating a culture of asceticism among Protestant believers. Weber (1958, 114) explains that Calvin was wary of emotions and feelings, believing that these qualities got in the way of rational thought and objective truth. Calvin's rational view of the world naturally led him to reject the notion that salvation could be earned through sacraments, good works, or any other mystical means. Weber (1958, 117) explains that because Calvinists had no system for attaining salvation, they were motivated to perpetually live their lives in a way that would glorify God and assure themselves of their salvation. Moreover, Weber (1958, 119) tells us that the Calvinistic tendency to rationalize the world encouraged believers to ignore their emotions and desires and practice a routine of self-control. For these reasons, a culture of asceticism began to develop among Calvinists. Weber (1958, 119-121) points out that Catholic monks choose to live their lives with certain ascetic tendencies. In the view of Weber (1958, 121), what sets the Calvinist ascetic culture apart from Catholic monks is that for Calvinists, the ascetic life was grounded in worldly activity.

Many different Reformed groups developed their own religious doctrine that guided their faith toward worldly asceticism. Weber (1958, 129-130) writes that the religious subdivision of Pietism aimed to create communities that separated those chosen from salvation from those who were outside of God's grace. These Pietist communities conducted themselves in the ascetic way of life exercising self-control and discipline. According to Weber (1958, 132-133), the religious denominations of Pietism differed from Calvinism in their emotional character. Additionally, Weber (1958, 135-136) explains that among the Pietist groups there remained a variance in beliefs regarding the role of sacraments and salvation, but overall, these communities conducted themselves with a sense of discipline that fostered a culture of asceticism.

The Methodists are another religious group considered by Weber. Founded by John Wesley, the religion of Methodism is the sector of the Anglican church that spread to the Americas. Weber (1958, 139) characterizes Methodism as a religion with a certain emotional character very different from Calvinism; though, it maintains the ascetic character. Methodism also differed from Calvinism in the way that those in the doctrine determined the status of their salvation. For Calvinists, objective reality could be used to indicate the status of one's salvation. However, Weber (1958, 140) writes that Methodists could be certain of their salvation when they experienced a spiritual transformation; furthermore, for

Methodists a feeling of God's grace was enough to indicate that one would be saved. For Methodists not yet certain of their salvation, the doctrine encouraged believers to conduct themselves in a righteous manner and wait for the emotional conversion to take place. Weber (1958, 141) recognizes that the system used by Methodists to inspire an intense feeling of God's grace was also useful in creating a culture of asceticism within the religious group of Methodists in America. As Weber (1958, 142) sees it, Methodists tended to conduct themselves with self-discipline and avoidance of all worldly pleasures while waiting to feel the essence of God's grace enter their lives.

A culture of asceticism could also be observed among the Baptist movements which included the religious groups of the Baptists, Mennonites, and Quakers. In the view of Weber (1958, 144-145), these religious groups differ from Calvinism greatly because their culture of asceticism was not founded in a doctrine of predestination. Instead, their doctrine relied heavily upon renouncing pleasures of the flesh and submitting themselves to God. Weber (1958, 148-149) observes that much like the Methodists in their doctrine, the Baptist groups were also waiting for God's grace to be revealed to them. While they waited, the Baptists were instructed to conduct their daily activity in a disciplined manner, avoiding their human impulses for worldly desire.

As observed in Weber's analysis, Calvinists as well as several other religious groups were motivated by the doctrine of their faith to live an ascetic life. Though the doctrines of religious ascetism varied among the several groups considered, the underlying way of life was similar. Followers of the Reformed religious movements were encouraged to lead disciplined lives and avoid the temptations of the physical world. This disciplined conduct of religious believers discouraged the indulgence of worldly pleasures. Consequently, Weber (1958,) observes that instead of spending their earnings on worldly extravagances, Protestants were accumulating their earnings in financial savings. The savings generated from this disciplined conduct contributed to the accumulation of wealth among Reformed believers.

### **Protestants and the "Spirit of Capitalism"**

In his analysis, Weber has put forth two factors that influence the positive economic outcomes for Reformed believers. The first factor he considers is the Lutheran calling and its influence on the work ethic of Protestants. The second factor that he considers is the culture of asceticism among groups of Protestants. When looked at on their own, the Lutheran calling and culture of asceticism only partially explain how Reformed individuals managed to generate such a substantial accumulation of wealth. In the final section of his analysis entitled "Asceticism and

the Spirit of Capitalism,” Weber looks at these two factors together to determine how these qualities of Reformed faiths impacted economic outcomes.

The Protestant’s calling to labor to glorify God also serves capitalistic interests. Weber (1958, 161) observes that the Protestant work ethic inspired by Luther is of a similar character to Adam Smith’s (1723-1790) ideas on the division of labor. The Protestant work ethic that allowed Reformed believers to pursue their labor rationally and systematically naturally led to the pursuit of wealth in a manner that resembles the modern capitalist spirit. In fact, there are other characteristics of Protestant practices that resemble the modern capitalist spirit. For instance, Weber (1958, 169) observes that the clothing choices of Reformed believers were typically uniform; moreover, he determines that Protestant fashion tended toward the capitalistic character of standardization.

The ascetic culture among Protestants also served the capitalist spirit discussed by Weber in his analysis. Weber (1958, 171) writes that Protestants considered any spending on pleasures of the flesh as an irrational use of wealth that worked against the glory of God. For many of the Reformed faiths, an ascetic way of living was intended to increase God’s glory, and any activity outside of this purpose was condemned as sinful. For the Reformed believer, ascetic living required the Protestant exercise self-control over their desires and simplicity in their daily living. Weber (1958, 158-159) observes that Protestants employed this

simplicity in their diets and exercised self-control over their sexual conduct. Weber (1958, 167) also writes that the Quakers refused to take part in any sport that did not serve a rational purpose. Rather than their money on worldly pleasures, Protestant believers opted to save their hard-earned wealth instead. According to Weber (1958, 160), the simplicity of the Protestant's lifestyle generated great savings for Reformed believers. Moreover, the wealth that Protestants did save was often injected back into their businesses. In the view of Weber (1958, 172), the combined effect of the rational pursuit of wealth and disciplined daily living resulted in the accumulation of wealth among Reformed individuals. In their rational pursuit of wealth, Protestants were generating a significant amount of wealth because of their desire to glorify God. More importantly with the wealth that the Protestant did accumulate, only a modest amount was spent because of the simplicity that they conducted their lives.

Lastly, in his analysis, Weber looks at the work of John Wesley (1703-1791), the leader of the Methodist church in America. In the view of Weber (1958, 174-175) and Wesley, the natural conclusion of this Protestant capitalist spirit is the regular modern capitalist spirit without the religious influence inspired by the Protestant Reformation. Weber (1958, 175) believes that Wesley's writings on the matter provide an accurate conclusion. In the excerpt, Wesley writes that the accumulation of wealth brought about by the Protestant culture of hard work and

simple living was bound to devolve into greediness on the part of Reformed believers. This greediness replaces the religious doctrine of asceticism with a desire for materialism. Furthermore, this materialism replaces the Protestant's pursuit of the calling from God with a calling to pursue wealth.

## **Conclusion**

This inquiry has sought to establish that Max Weber advances the view that religious faith does indeed affect economic opportunities. Two factors emerged from the Protestant Reformation and greatly impacted the economic outcomes of Reformed believers. The first factor considered in this inquiry is Martin Luther's conception of "the calling," which he believed to be central to the life of any man seeking to glorify God. This calling inspired Protestants of the era to pursue wealth rationally and instilled in them a spirit of modern capitalism. This inquiry also has considered the impact the culture of asceticism has on generating financial savings for Reformed believers. The combined impact of the Protestant's rational pursuit of wealth and their dutiful propensity to save created the conditions for the accumulation of wealth and positive economic outcomes among Reformed believers.

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