

**THE PROTESTANT ETHIC  
AND THE  
SPIRIT OF CAPITALISM**

**PART I**

**THE PROBLEM**

## CHAPTER I

### RELIGIOUS AFFILIATION AND SOCIAL STRATIFICATION<sup>1</sup>

A glance at the occupational statistics of any country of mixed religious composition brings to light with remarkable frequency<sup>2</sup> a situation which has several times provoked discussion in the Catholic press and literature,<sup>3</sup> and in Catholic congresses in Germany, namely, the fact that business leaders and owners of capital, as well as the higher grades of skilled labour, and even more the higher technically and commercially trained personnel of modern enterprises, are overwhelmingly Protestant.<sup>4</sup> This is true not only in cases where the difference in religion coincides with one of nationality, and thus of cultural development, as in Eastern Germany between Germans and Poles. The same thing is shown in the figures of religious affiliation almost wherever capitalism, at the time of its great expansion, has had a free hand to alter the social distribution of the population in accordance with its needs, and to determine its occupational structure. The more freedom it has had, the more clearly is the effect shown. It is true that the greater relative participation of Protestants in the ownership of capital,<sup>5</sup> in management, and the upper ranks of labour in great modern industrial and commercial enterprises,<sup>6</sup> may in part be explained in terms of historical circumstances<sup>7</sup> which extend far back into the past, and in which religious affiliation is not a cause of the economic conditions, but to a certain extent appears to be a result

of them. Participation in the above economic functions usually involves some previous ownership of capital, and generally an expensive education; often both. These are to-day largely dependent on the possession of inherited wealth, or at least on a certain degree of material well-being. A number of those sections of the old Empire which were most highly developed economically and most favoured by natural resources and situation, in particular a majority of the wealthy towns, went over to Protestantism in the sixteenth century. The results of that circumstance favour the Protestants even to-day in their struggle for economic existence. There arises thus the historical question: why were the districts of highest economic development at the same time particularly favourable to a revolution in the Church? The answer is by no means so simple as one might think.

The emancipation from economic traditionalism appears, no doubt, to be a factor which would greatly strengthen the tendency to doubt the sanctity of the religious tradition, as of all traditional authorities. But it is necessary to note, what has often been forgotten, that the Reformation meant not the elimination of the Church's control over everyday life, but rather the substitution of a new form of control for the previous one. It meant the repudiation of a control which was very lax, at that time scarcely perceptible in practice, and hardly more than formal, in favour of a regulation of the whole of conduct which, penetrating to all departments of private and public life, was infinitely burdensome and earnestly enforced. The rule of the Catholic Church, "punishing the heretic; but indulgent

to the sinner", as it was in the past even more than to-day, is now tolerated by peoples of thoroughly modern economic character, and was borne by the richest and economically most advanced peoples on earth at about the turn of the fifteenth century. The rule of Calvinism, on the other hand, as it was enforced in the sixteenth century in Geneva and in Scotland, at the turn of the sixteenth and seventeenth centuries in large parts of the Netherlands, in the seventeenth in New England, and for a time in England itself, would be for us the most absolutely unbearable form of ecclesiastical control of the individual which could possibly exist. That was exactly what large numbers of the old commercial aristocracy of those times, in Geneva as well as in Holland and England, felt about it. And what the reformers complained of in those areas of high economic development was not too much supervision of life on the part of the Church, but too little. Now how does it happen that at that time those countries which were most advanced economically, and within them the rising bourgeois middle classes, not only failed to resist this unexampled tyranny of Puritanism, but even developed a heroism in its defence? For bourgeois classes as such have seldom before and never since displayed heroism. It was "the last of our heroisms", as Carlyle, not without reason, has said.

But further, and especially important: it may be, as has been claimed, that the greater participation of Protestants in the positions of ownership and management in modern economic life may to-day be understood, in part at least, simply as a result of the greater material wealth they have inherited. But there are

certain other phenomena which cannot be explained in the same way. Thus, to mention only a few facts: there is a great difference discoverable in Baden, in Bavaria, in Hungary, in the type of higher education which Catholic parents, as opposed to Protestant, give their children. That the percentage of Catholics among the students and graduates of higher educational institutions in general lags behind their proportion of the total population,<sup>8</sup> may, to be sure, be largely explicable in terms of inherited differences of wealth. But among the Catholic graduates themselves the percentage of those graduating from the institutions preparing, in particular, for technical studies and industrial and commercial occupations, but in general from those preparing for middle-class business life, lags still farther behind the percentage of Protestants.<sup>9</sup> On the other hand, Catholics prefer the sort of training which the humanistic Gymnasium affords. That is a circumstance to which the above explanation does not apply, but which, on the contrary, is one reason why so few Catholics are engaged in capitalistic enterprise.

Even more striking is a fact which partly explains the smaller proportion of Catholics among the skilled labourers of modern industry. It is well known that the factory has taken its skilled labour to a large extent from young men in the handicrafts; but this is much more true of Protestant than of Catholic journeymen. Among journeymen, in other words, the Catholics show a stronger propensity to remain in their crafts, that is they more often become master craftsmen, whereas the Protestants are attracted to a larger extent into the factories in order to fill the upper ranks of

skilled labour and administrative positions.<sup>10</sup> The explanation of these cases is undoubtedly that the mental and spiritual peculiarities acquired from the environment, here the type of education favoured by the religious atmosphere of the home community and the parental home, have determined the choice of occupation, and through it the professional career.

The smaller participation of Catholics in the modern business life of Germany is all the more striking because it runs counter to a tendency which has been observed at all times<sup>11</sup> including the present. National or religious minorities which are in a position of subordination to a group of rulers are likely, through their voluntary or involuntary exclusion from positions of political influence, to be driven with peculiar force into economic activity. Their ablest members seek to satisfy the desire for recognition of their abilities in this field since there is no opportunity in the service of the State. This has undoubtedly been true of the Poles in Russia and Eastern Prussia, who have without question been undergoing a more rapid economic advance than in Galicia, where they have been in the ascendant. It has in earlier times been true of the Huguenots in France under Louis XIV, the Nonconformists and Quakers in England, and, last but not least, the Jew for two thousand years. But the Catholics in Germany have shown no striking evidence of such a result of their position. In the past they have, unlike the Protestants, undergone no particularly prominent economic development in the times when they were persecuted or only tolerated, either in Holland or in England. On the other hand, it is a fact that the Protestants (especi-

ally certain branches of the movement to be fully discussed later) both as ruling classes and as ruled, both as majority and as minority, have shown a special tendency to develop economic rationalism which cannot be observed to the same extent among Catholics either in the one situation or in the other.<sup>12</sup> Thus the principal explanation of this difference must be sought in the permanent intrinsic character of their religious beliefs, and not only in their temporary external historico-political situations.<sup>13</sup>

It will be our task to investigate these religions with a view to finding out what peculiarities they have or have had which might have resulted in the behaviour we have described. On superficial analysis, and on the basis of certain current impressions, one might be tempted to express the difference by saying that the greater other-worldliness of Catholicism, the ascetic character of its highest ideals, must have brought up its adherents to a greater indifference toward the good things of this world. Such an explanation fits the popular tendency in the judgment of both religions. On the Protestant side it is used as a basis of criticism of those (real or imagined) ascetic ideals of the Catholic way of life, while the Catholics answer with the accusation that materialism results from the secularization of all ideals through Protestantism. One recent writer has attempted to formulate the difference of their attitudes toward economic life in the following manner: "The Catholic is quieter, having less of the acquisitive impulse; he prefers a life of the greatest possible security, even with a smaller income, to a life of risk and excitement, even though it may bring the

chance of gaining honour and riches. The proverb says jokingly, 'either eat well or sleep well'. In the present case the Protestant prefers to eat well, the Catholic to sleep undisturbed."<sup>14</sup>

In fact, this desire to eat well may be a correct though incomplete characterization of the motives of many nominal Protestants in Germany at the present time. But things were very different in the past: the English, Dutch, and American Puritans were characterized by the exact opposite of the joy of living, a fact which is indeed, as we shall see, most important for our present study. Moreover, the French Protestants, among others, long retained, and retain to a certain extent up to the present, the characteristics which were impressed upon the Calvinistic Churches everywhere, especially under the cross in the time of the religious struggles. Nevertheless (or was it, perhaps, as we shall ask later, precisely on that account?) it is well known that these characteristics were one of the most important factors in the industrial and capitalistic development of France, and on the small scale permitted them by their persecution remained so. If we may call this seriousness and the strong predominance of religious interests in the whole conduct of life other-worldliness, then the French Calvinists were and still are at least as otherworldly as, for instance, the North German Catholics, to whom their Catholicism is undoubtedly as vital a matter as religion is to any other people in the world. Both differ from the predominant religious trends in their respective countries in much the same way. The Catholics of France are, in their lower ranks, greatly interested in the enjoyment of life,

in the upper directly hostile to religion. Similarly, the Protestants of Germany are to-day absorbed in worldly economic life, and their upper ranks are most indifferent to religion.<sup>15</sup> Hardly anything shows so clearly as this parallel that, with such vague ideas as that of the alleged otherworldliness of Catholicism, and the alleged materialistic joy of living of Protestantism, and others like them, nothing can be accomplished for our purpose. In such general terms the distinction does not even adequately fit the facts of to-day, and certainly not of the past. If, however, one wishes to make use of it at all, several other observations present themselves at once which, combined with the above remarks, suggest that the supposed conflict between other-worldliness, asceticism, and ecclesiastical piety on the one side, and participation in capitalistic acquisition on the other, might actually turn out to be an intimate relationship.

As a matter of fact it is surely remarkable, to begin with quite a superficial observation, how large is the number of representatives of the most spiritual forms of Christian piety who have sprung from commercial circles. In particular, very many of the most zealous adherents of Pietism are of this origin. It might be explained as a sort of reaction against mammonism on the part of sensitive natures not adapted to commercial life, and, as in the case of Francis of Assisi, many Pietists have themselves interpreted the process of their conversion in these terms. Similarly, the remarkable circumstance that so many of the greatest capitalistic entrepreneurs—down to Cecil Rhodes—have come from clergymen's families might be explained as a reaction against their ascetic upbringing. But this

form of explanation fails where an extraordinary capitalistic business sense is combined in the same persons and groups with the most intensive forms of a piety which penetrates and dominates their whole lives. Such cases are not isolated, but these traits are characteristic of many of the most important Churches and sects in the history of Protestantism. Especially Calvinism, wherever it has appeared,<sup>16</sup> has shown this combination. However little, in the time of the expansion of the Reformation, it (or any other Protestant belief) was bound up with any particular social class, it is characteristic and in a certain sense typical that in French Huguenot Churches monks and business men (merchants, craftsmen) were particularly numerous among the proselytes, especially at the time of the persecution.<sup>17</sup> Even the Spaniards knew that heresy (i.e. the Calvinism of the Dutch) promoted trade, and this coincides with the opinions which Sir William Petty expressed in his discussion of the reasons for the capitalistic development of the Netherlands. Gothein<sup>18</sup> rightly calls the Calvinistic diaspora the seed-bed of capitalistic economy.<sup>19</sup> Even in this case one might consider the decisive factor to be the superiority of the French and Dutch economic cultures from which these communities sprang, or perhaps the immense influence of exile in the breakdown of traditional relationships.<sup>20</sup> But in France the situation was, as we know from Colbert's struggles, the same even in the seventeenth century. Even Austria, not to speak of other countries, directly imported Protestant craftsmen.

But not all the Protestant denominations seem to have had an equally strong influence in this direction.

That of Calvinism, even in Germany, was among the strongest, it seems, and the reformed faith<sup>21</sup> more than the others seems to have promoted the development of the spirit of capitalism, in the Wupperthal as well as elsewhere. Much more so than Lutheranism, as comparison both in general and in particular instances, especially in the Wupperthal, seems to prove.<sup>22</sup> For Scotland, Buckle, and among English poets, Keats, have emphasized these same relationships.<sup>23</sup> Even more striking, as it is only necessary to mention, is the connection of a religious way of life with the most intensive development of business acumen among those sects whose otherworldliness is as proverbial as their wealth, especially the Quakers and the Mennonites. The part which the former have played in England and North America fell to the latter in Germany and the Netherlands. That in East Prussia Frederick William I tolerated the Mennonites as indispensable to industry, in spite of their absolute refusal to perform military service, is only one of the numerous well-known cases which illustrates the fact, though, considering the character of that monarch, it is one of the most striking. Finally, that this combination of intense piety with just as strong a development of business acumen, was also characteristic of the Pietists, is common knowledge.<sup>24</sup>

It is only necessary to think of the Rhine country and of Calw. In this purely introductory discussion it is unnecessary to pile up more examples. For these few already all show one thing: that the spirit of hard work, of progress, or whatever else it may be called, the awakening of which one is inclined to ascribe to

Protestantism, must not be understood, as there is a tendency to do, as joy of living nor in any other sense as connected with the Enlightenment. The old Protestantism of Luther, Calvin, Knox, Voet, had precious little to do with what to-day is called progress. To whole aspects of modern life which the most extreme religionist would not wish to suppress to-day, it was directly hostile. If any inner relationship between certain expressions of the old Protestant spirit and modern capitalistic culture is to be found, we must attempt to find it, for better or worse, not in its alleged more or less materialistic or at least anti-ascetic joy of living, but in its purely religious characteristics. Montesquieu says (*Esprit des Lois*, Book XX, chap. 7) of the English that they "had progressed the farthest of all peoples of the world in three important things: in piety, in commerce, and in freedom". Is it not possible that their commercial superiority and their adaptation to free political institutions are connected in some way with that record of piety which Montesquieu ascribes to them?

A large number of possible relationships, vaguely perceived, occur to us when we put the question in this way. It will now be our task to formulate what occurs to us confusedly as clearly as is possible, considering the inexhaustible diversity to be found in all historical material. But in order to do this it is necessary to leave behind the vague and general concepts with which we have dealt up to this point, and attempt to penetrate into the peculiar characteristics of and the differences between those great worlds of religious thought which have existed historically in the various branches of Christianity.

Before we can proceed to that, however, a few remarks are necessary, first on the peculiarities of the phenomenon of which we are seeking an historical explanation, then concerning the sense in which such an explanation is possible at all within the limits of these investigations.

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



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.<sup>1</sup>

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

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

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."<sup>2</sup>

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

satirizes in his clever and malicious *Picture of American Culture*<sup>3</sup> 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",<sup>4</sup> 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,<sup>5</sup> in the latter takes on the character of an ethically coloured maxim

for the conduct of life. The concept spirit of capitalism is here used in this specific sense,<sup>6</sup> 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,<sup>7</sup> 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,<sup>8</sup> 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

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.<sup>9</sup> 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

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.<sup>10</sup>

And in truth this peculiar idea, so familiar to us today, 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 professional<sup>11</sup> 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

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

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 Ages<sup>12</sup> 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 precapitalistic 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

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

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 labourers<sup>14</sup> 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.

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 officeholders. 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

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

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

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.<sup>15</sup> 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.<sup>16</sup> 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

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.<sup>17</sup> 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.

60 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,<sup>18</sup> that by far the best chances of economic education are found

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 capitalism<sup>19</sup> 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<sup>20</sup> has distinguished between the satisfaction of needs and acquisition as the two great leading principles in economic history. In the former case the



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,<sup>21</sup> 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) capitalism<sup>22</sup> 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

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.<sup>23</sup> 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.<sup>24</sup>

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

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,<sup>25</sup> what we should today 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,

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

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.<sup>26</sup>

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

ends, but the reverse is not true.<sup>27</sup> 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.

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 today 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.

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 type<sup>28</sup> 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

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

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)<sup>29</sup> 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,<sup>30</sup> 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

96 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.<sup>31</sup> 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

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

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

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.

### CHAPTER III

#### LUTHER'S CONCEPTION OF THE CALLING

##### TASK OF THE INVESTIGATION

Now it is unmistakable that even in the German word *Beruf*, and perhaps still more clearly in the English *calling*, a religious conception, that of a task set by God, is at least suggested. The more emphasis is put upon the word in a concrete case, the more evident is the connotation. And if we trace the history of the word through the civilized languages, it appears that neither the predominantly Catholic peoples nor those of classical antiquity<sup>1</sup> have possessed any expression of similar connotation for what we know as a calling (in the sense of a life-task, a definite field in which to work), while one has existed for all predominantly Protestant peoples. It may be further shown that this is not due to any ethnical peculiarity of the languages concerned. It is not, for instance, the product of a Germanic spirit, but in its modern meaning the word comes from the Bible translations, through the spirit of the translator, not that of the original.<sup>2</sup> In Luther's translation of the Bible it appears to have first been used at a point in Jesus Sirach (xi. 20 and 21) precisely in our modern sense.<sup>3</sup> After that it speedily took on its present meaning in the everyday speech of all Protestant peoples, while earlier not even a suggestion of such a meaning could be found in the secular literature of any of them, and even, in religious writings, so far as I can ascertain, it is only found in one of the German



mystics whose influence on Luther is well known.

Like the meaning of the word, the idea is new, a product of the Reformation. This may be assumed as generally known. It is true that certain suggestions of the positive valuation of routine activity in the world, which is contained in this conception of the calling, had already existed in the Middle Ages, and even in late Hellenistic antiquity. We shall speak of that later. But at least one thing was unquestionably new: the valuation of the fulfilment of duty in worldly affairs as the highest form which the moral activity of the individual could assume. This it was which inevitably gave every-day worldly activity a religious significance, and which first created the conception of a calling in this sense. The conception of the calling thus brings out that central dogma of all Protestant denominations which the Catholic division of ethical precepts into *præcepta* and *consilia* discards. The only way of living acceptably to God was not to surpass worldly morality in monastic asceticism, but solely through the fulfilment of the obligations imposed upon the individual by his position in the world. That was his calling.

Luther<sup>4</sup> developed the conception in the course of the first decade of his activity as a reformer. At first, quite in harmony with the prevailing tradition of the Middle Ages, as represented, for example, by Thomas Aquinas,<sup>5</sup> he thought of activity in the world as a thing of the flesh, even though willed by God. It is the indispensable natural condition of a life of faith, but in itself, like eating and drinking, morally neutral.<sup>6</sup> But with the development of the conception of *sola fide* in all its consequences, and its logical result, the increas-

ingly sharp emphasis against the Catholic *consilia evangelica* of the monks as dictates of the devil, the calling grew in importance. The monastic life is not only quite devoid of value as a means of justification before God, but he also looks upon its renunciation of the duties of this world as the product of selfishness, withdrawing from temporal obligations. In contrast, labour in a calling appears to him as the outward expression of brotherly love. This he proves by the observation that the division of labour forces every individual to work for others, but his view-point is highly naïve, forming an almost grotesque contrast to Adam Smith's well-known statements on the same subject.<sup>7</sup> However, this justification, which is evidently essentially scholastic, soon disappears again, and there remains, more and more strongly emphasized, the statement that the fulfilment of worldly duties is under all circumstances the only way to live acceptably to God. It and it alone is the will of God, and hence every legitimate calling has exactly the same worth in the sight of God.<sup>8</sup>

That this moral justification of worldly activity was one of the most important results of the Reformation, especially of Luther's part in it, is beyond doubt, and may even be considered a platitude.<sup>9</sup> This attitude is worlds removed from the deep hatred of Pascal, in his contemplative moods, for all worldly activity, which he was deeply convinced could only be understood in terms of vanity or low cunning.<sup>10</sup> And it differs even more from the liberal utilitarian compromise with the world at which the Jesuits arrived. But just what the practical significance of this achievement of Protestantism was in detail is dimly felt rather than clearly perceived.

In the first place it is hardly necessary to point out that Luther cannot be claimed for the spirit of capitalism in the sense in which we have used that term above, or for that matter in any sense whatever. The religious circles which to-day most enthusiastically celebrate that great achievement of the Reformation are by no means friendly to capitalism in any sense. And Luther himself would, without doubt, have sharply repudiated any connection with a point of view like that of Franklin. Of course, one cannot consider his complaints against the great merchants of his time, such as the Fuggers,<sup>11</sup> as evidence in this case. For the struggle against the privileged position, legal or actual, of single great trading companies in the sixteenth and seventeenth centuries may best be compared with the modern campaign against the trusts, and can no more justly be considered in itself an expression of a traditionalistic point of view. Against these people, against the Lombards, the monopolists, speculators, and bankers patronized by the Anglican Church and the kings and parliaments of England and France, both the Puritans and the Huguenots carried on a bitter struggle.<sup>12</sup> Cromwell, after the battle of Dunbar (September 1650), wrote to the Long Parliament: "Be pleased to reform the abuses of all professions: and if there be any one that makes many poor to make a few rich, that suits not a Commonwealth." But, nevertheless, we will find Cromwell following a quite specifically capitalistic line of thought.<sup>13</sup> On the other hand, Luther's numerous statements against usury or interest in any form reveal a conception of the nature of capitalistic acquisition which, compared with that of

late Scholasticism, is, from a capitalistic view-point, definitely backward.<sup>14</sup> Especially, of course, the doctrine of the sterility of money which Anthony of Florence had already refuted.

But it is unnecessary to go into detail. For, above all, the consequences of the conception of the calling in the religious sense for worldly conduct were susceptible to quite different interpretations. The effect of the Reformation as such was only that, as compared with the Catholic attitude, the moral emphasis on and the religious sanction of, organized worldly labour in a calling was mightily increased. The way in which the concept of the calling, which expressed this change, should develop further depended upon the religious evolution which now took place in the different Protestant Churches. The authority of the Bible, from which Luther thought he had derived his idea of the calling, on the whole favoured a traditionalistic interpretation. The old Testament, in particular, though in the genuine prophets it showed no sign of a tendency to excel worldly morality, and elsewhere only in quite isolated rudiments and suggestions, contained a similar religious idea entirely in this traditionalistic sense. Everyone should abide by his living and let the godless run after gain. That is the sense of all the statements which bear directly on worldly activities. Not until the Talmud is a partially, but not even then fundamentally, different attitude to be found. The personal attitude of Jesus is characterized in classical purity by the typical antique-Oriental plea: "Give us this day our daily bread." The element of radical repudiation of the world, as expressed in the μαμωνᾶς τῆς ἀδικίας,

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excluded the possibility that the modern idea of a calling should be based on his personal authority.<sup>15</sup> In the apostolic era as expressed in the New Testament, especially in St. Paul, the Christian looked upon worldly activity either with indifference, or at least essentially traditionalistically; for those first generations were filled with eschatological hopes. Since everyone was simply waiting for the coming of the Lord, there was nothing to do but remain in the station and in the worldly occupation in which the call of the Lord had found him, and labour as before. Thus he would not burden his brothers as an object of charity, and it would only be for a little while. Luther read the Bible through the spectacles of his whole attitude; at the time and in the course of his development from about 1518 to 1530 this not only remained traditionalistic but became ever more so.<sup>16</sup>

In the first years of his activity as a reformer he was, since he thought of the calling as primarily of the flesh, dominated by an attitude closely related, in so far as the form of world<sup>17</sup> activity was concerned, to the Pauline eschatological indifference as expressed in I Cor. vii.<sup>17</sup> One may attain salvation in any walk of life; on the short pilgrimage of life there is no use in laying weight on the form of occupation. The pursuit of material gain beyond personal needs must thus appear as a symptom of lack of grace, and since it can apparently only be attained at the expense of others, directly reprehensible.<sup>18</sup> As he became increasingly involved in the affairs of the world, he came to value work in the world more highly. But in the concrete calling an individual pursued he saw more and more a special command of God to

fulfil these particular duties which the Divine Will had imposed upon him. And after the conflict with the Fanatics and the peasant disturbances, the objective historical order of things in which the individual has been placed by God becomes for Luther more and more a direct manifestation of divine will.<sup>19</sup> The stronger and stronger emphasis on the providential element, even in particular events of life, led more and more to a traditionalistic interpretation based on the idea of Providence. The individual should remain once and for all in the station and calling in which God had placed him, and should restrain his worldly activity within the limits imposed by his established station in life. While his economic traditionalism was originally the result of Pauline indifference, it later became that of a more and more intense belief in divine providence,<sup>20</sup> which identified absolute obedience to God's will,<sup>21</sup> with absolute acceptance of things as they were. Starting from this background, it was impossible for Luther to establish a new or in any way fundamental connection between worldly activity and religious principles.<sup>22</sup> His acceptance of purity of doctrine as the one infallible criterion of the Church, which became more and more irrevocable after the struggles of the 'twenties, was in itself sufficient to check the development of new points of view in ethical matters.

Thus for Luther the concept of the calling remained traditionalistic.<sup>23</sup> His calling is something which man has to accept as a divine ordinance, to which he must adapt himself. This aspect outweighed the other idea which was also present, that work in the calling was a, or rather *the*, task set by God.<sup>24</sup> And in its further

development, orthodox Lutheranism emphasized this aspect still more. Thus, for the time being, the only ethical result was negative; worldly duties were no longer subordinated to ascetic ones; obedience to authority and the acceptance of things as they were, were preached.<sup>25</sup> In this Lutheran form the idea of a calling had, as will be shown in our discussion of mediæval religious ethics, to a considerable extent been anticipated by the German mystics. Especially in Tauler's equalization of the values of religious and worldly occupations, and the decline in valuation of the traditional forms of ascetic practices<sup>26</sup> on account of the decisive significance of the ecstatic-contemplative absorption of the divine spirit by the soul. To a certain extent Lutheranism means a step backward from the mystics, in so far as Luther, and still more his Church, had, as compared with the mystics, partly undermined the psychological foundations for a rational ethics. (The mystic attitude on this point is reminiscent partly of the Pietest and partly of the Quaker psychology of faith.<sup>27</sup>) That was precisely because he could not but suspect the tendency to ascetic self-discipline of leading to salvation by works, and hence he and his Church were forced to keep it more and more in the background.

Thus the mere idea of the calling in the Lutheran sense is at best of questionable importance for the problems in which we are interested. This was all that was meant to be determined here.<sup>28</sup> But this is not in the least to say that even the Lutheran form of the renewal of the religious life may not have had some practical significance for the objects of our investigation; quite the contrary. Only that significance evidently

cannot be derived directly from the attitude of Luther and his Church to worldly activity, and is perhaps not altogether so easily grasped as the connection with other branches of Protestantism. It is thus well for us next to look into those forms in which a relation between practical life and a religious motivation can be more easily perceived than in Lutheranism. We have already called attention to the conspicuous part played by Calvinism and the Protestant sects in the history of capitalistic development. As Luther found a different spirit at work in Zwingli than in himself, so did his spiritual successors in Calvinism. And Catholicism has to the present day looked upon Calvinism as its real opponent.

Now that may be partly explained on purely political grounds. Although the Reformation is unthinkable without Luther's own personal religious development, and was spiritually long influenced by his personality, without Calvinism his work could not have had permanent concrete success. Nevertheless, the reason for this common repugnance of Catholics and Lutherans lies, at least partly, in the ethical peculiarities of Calvinism. A purely superficial glance shows that there is here quite a different relationship between the religious life and earthly activity than in either Catholicism or Lutheranism. Even in literature motivated purely by religious factors that is evident. Take for instance the end of the *Divine Comedy*, where the poet in Paradise stands speechless in his passive contemplation of the secrets of God, and compare it with the poem which has come to be called the *Divine Comedy of Puritanism*. Milton closes the last song of *Paradise*

Lost after describing the *expulsion* from paradise as follows:—

“They, looking back, all the eastern side beheld  
Of paradise, so late their happy seat,  
Waved over by that flaming brand; the gate  
With dreadful faces thronged and fiery arms.  
Some natural tears they dropped, but wiped them soon:  
The world was all before them, there to choose  
Their place of rest, and Providence their guide.”

And only a little before Michael had said to Adam:

... “Only add  
Deeds to thy knowledge answerable; add faith;  
Add virtue, patience, temperance; add love,  
By name to come called Charity, the soul  
Of all the rest: then wilt thou not be loth  
To leave this Paradise, but shall possess  
A Paradise within thee, happier far.”

One feels at once that this powerful expression of the Puritan's serious attention to this world, his acceptance of his life in the world as a task, could not possibly have come from the pen of a mediæval writer. But it is just as uncongenial to Lutheranism, as expressed for instance in Luther's and Paul Gerhard's chorales. It is now our task to replace this vague feeling by a somewhat more precise logical formulation, and to investigate the fundamental basis of these differences. The appeal to national character is generally a mere confession of ignorance, and in this case it is entirely untenable. To ascribe a unified national character to the Englishmen of the seventeenth century would be simply to falsify history. Cavaliers and Roundheads did

not appeal to each other simply as two parties, but as radically distinct species of men, and whoever looks into the matter carefully must agree with them.<sup>29</sup> On the other hand, a difference of character between the English merchant adventurers and the old Hanseatic merchants is not to be found; nor can any other fundamental difference between the English and German characters at the end of the Middle Ages, which cannot easily be explained by the differences of their political history.<sup>30</sup> It was the power of religious influence, not alone, but more than anything else, which created the differences of which we are conscious to-day.<sup>31</sup>

We thus take as our starting-point in the investigation of the relationship between the old Protestant ethic and the spirit of capitalism the works of Calvin, of Calvinism, and the other Puritan sects. But it is not to be understood that we expect to find any of the founders or representatives of these religious movements considering the promotion of what we have called the spirit of capitalism as in any sense the end of his life-work. We cannot well maintain that the pursuit of worldly goods, conceived as an end in itself, was to any of them of positive ethical value. Once and for all it must be remembered that programmes of ethical reform never were at the centre of interest for any of the religious reformers (among whom, for our purposes, we must include men like Menno, George Fox, and Wesley). They were not the founders of societies for ethical culture nor the proponents of humanitarian projects for social reform or cultural ideals. The salvation of the soul and that alone was the centre of their

life and work. Their ethical ideals and the practical results of their doctrines were all based on that alone, and were the consequences of purely religious motives. We shall thus have to admit that the cultural consequences of the Reformation were to a great extent, perhaps in the particular aspects with which we are dealing predominantly, unforeseen and even unwished-for results of the labours of the reformers. They were often far removed from or even in contradiction to all that they themselves thought to attain.

The following study may thus perhaps in a modest way form a contribution to the understanding of the manner in which ideas become effective forces in history. In order, however, to avoid any misunderstanding of the sense in which any such effectiveness of purely ideal motives is claimed at all, I may perhaps be permitted a few remarks in conclusion to this introductory discussion.

In such a study, it may at once be definitely stated, no attempt is made to evaluate the ideas of the Reformation in any sense, whether it concern their social or their religious worth. We have continually to deal with aspects of the Reformation which must appear to the truly religious consciousness as incidental and even superficial. For we are merely attempting to clarify the part which religious forces have played in forming the developing web of our specifically worldly modern culture, in the complex interaction of innumerable different historical factors. We are thus inquiring only to what extent certain characteristic features of this culture can be imputed to the influence of the Reformation. At the same time we must free ourselves from the

idea that it is possible to deduce the Reformation, as a historically necessary result, from certain economic changes. Countless historical circumstances, which cannot be reduced to any economic law, and are not susceptible of economic explanation of any sort, especially purely political processes, had to concur in order that the newly created Churches should survive at all.

On the other hand, however, we have no intention whatever of maintaining such a foolish and doctrinaire thesis<sup>32</sup> as that the spirit of capitalism (in the provisional sense of the term explained above) could only have arisen as the result of certain effects of the Reformation, or even that capitalism as an economic system is a creation of the Reformation. In itself, the fact that certain important forms of capitalistic business organization are known to be considerably older than the Reformation is a sufficient refutation of such a claim. On the contrary, we only wish to ascertain whether and to what extent religious forces have taken part in the qualitative formation and the quantitative expansion of that spirit over the world. Furthermore, what concrete aspects of our capitalistic culture can be traced to them? In view of the tremendous confusion of interdependent influences between the material basis, the forms of social and political organization, and the ideas current in the time of the Reformation, we can only proceed by investigating whether and at what points certain correlations between forms of religious belief and practical ethics can be worked out. At the same time we shall as far as possible clarify the manner and the general *direction* in which, by virtue of those relation-

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ships, the religious movements have influenced the development of material culture. Only when this has been determined with reasonable accuracy can the attempt be made to estimate to what extent the historical development of modern culture can be attributed to those religious forces and to what extent to others.

PART II

THE PRACTICAL ETHICS OF THE  
ASCETIC BRANCHES OF  
PROTESTANTISM