Culture and Economics

- How are **economics** and **culture** (worldviews, values, beliefs) related?
- Like Marx, Weber too focused on structures of capitalism and inequality
- Unlike Marx, Weber focused on the analytical independence and causality of culture/beliefs
- **Implication**: Secular capitalism has religious and cultural origins.
The Protestant Ethic and the Spirit of Capitalism

• **Capitalism** is defined by Weber as the pursuit of forever renewed profit by means of *rational* (calculating) capitalistic enterprise.

• ‘**Spirit of Capitalism**’ = the *calling* to make more money as an end in itself, and to work hard *for its own sake* as a sign of salvation. This is a new *psychological disposition*.
The Protestant Ethic and the Spirit of Capitalism

- The Protestant Ethic is the ‘Spirit of Capitalism’! The Protestant Ethic (aka Puritan Ethic, Work Ethic) means:
  1. sacrificing and saving for the future and
  2. adopting a rational (= calculating) attitude towards life.

- Spirit of (early) modern capitalism distinguished by hard work and asceticism (frugality); not by greed or self-indulgence
Martin Luther and the Protestant Reformation

- Protestants more likely than Catholics to have business occupations, **WHY?**
- Martin Luther inaugurated (began) the *Protestant Reformation* in 1517, which rejected the hierarchical authority structure and doctrines of the Catholic Church

Martin Luther (1483-1546)
Calvinism

Tenets of Calvinism:

1. The doctrine of **predestination** - the idea that one’s salvation is already decided/pre-ordained by God;

2. God’s will can not be known or interpreted (e.g. by a priest)

3. Purpose of this-world activities is to serve God diligently

• To convince others (and themselves) that they were already chosen, Calvinists would work hard and sacrifice for the future because God would only select the industrious...

John Calvin (1509-1564)
Calvinism and ‘the calling’ to work really, really, hard...

- What should the individual God-fearing believer do?
- Idea of **the calling**: Labor in a calling/a vocation; dedicated this-worldly activity to glorify God.
- Success in this world is a sign of salvation in the next world!
- The Calvinist took it as his duty to demonstrate proof of his salvation.
- This was accomplished through rational, methodical **self-control, self-discipline. Avoid spontaneous enjoyment; avoid anything that would distract from work**
- “Every hour lost is lost to labor for the glory of God”

John Calvin (1509-1564)
How Calvinism Created Capitalism

- Hard work, combined with asceticism, produces money/profit accumulation
- Expansion of capitalism is an unintended consequence of Calvinists’ religious beliefs and their rationalization of those beliefs

1. Anxiety over after-life
2. Hard Work + Frugality (as sign of salvation)
3. Accumulate Savings and Investments
4. Capitalism!
Sociology and ‘Social Action’

- **Social action**: action that is meaningfully oriented toward the behavior of others.
- **Sociology** as the study of subjectively meaningful action
  - *Verstehen* = ‘understanding’
Two Ideal-types of social action:

- **Rational** means ‘efficient’; adopting the most efficient *means* to achieve a given *end*: **MONEY.** *(Gesellschaft)*

- **Non-rational** (*not irrational!*!) means non-calculating behavior, including habits, traditions, and anything you do for its own sake (e.g. for the fun of it, or because it constitutes a *way of life* for you).
Rationality and Social Action

• Rational Action
  1. Instrumental rational action: calculating strategic action
     – Driven by a rational assessment of the costs and benefits of selecting particular courses of action
  2. Value rational action: commitment to a particular value (e.g., commitment to God, family, the poor, country etc.), motivates deliberate, methodical rational action in the service of that value
     – Pursue actions consistent with values irrespective of their costs the value-commitment
Social Research and Ideal-Types

- **Ideal-types** are conceptual analytical devices which accentuate characteristics or behavior we would expect to find in looking at a social phenomenon in its “pure” form.

- Aids in comparative analysis
  - Examples: comparing the ideal typical Protestant to the ideal typical Buddhist...
Power, Authority, Domination

• Power definitions:
  i) ‘the probability that an actor ... will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests’
  ii) ‘the chance of a man or a number of men to realize their own will even against the resistance of others...’
  iii) ‘Power means every chance within a social relationship to assert one’s will even against opposition” (in Habermas).
Power, Authority, Domination

- **Authority/Domination**: Probability that commands will be obeyed/complied with.
- “Without exception every sphere of social action is profoundly influenced by structures of domination” (28)
  - German *Herrschaft*, (‘domination’) also translated as “imperative control” (Parsons), and also “rule”.
- Domination (authority) is always only one side of a command-obedience *relationship*
Ideal types of authority

Modern society:

– Rational, legal authority based on impersonal, rationally established rules and laws

– Example: **Bureaucracy**: formal, impersonal form of organization; a rational, efficient way of accomplishing tasks in a modern, complex society.

Traditional society:

– Non-rational authority based on habits, emotions, sanctity of tradition, etc.
Characteristics of Bureaucracy

• Impersonal criteria in social relations; obligations of office
• Hierarchy of offices/divisions/personnel
• Division of labor, specific competencies
• Contractual relationships; open recruitment
• Technical qualifications; certified expertise; merit; appointed not elected
• Fixed salaries/benefits
Charismatic Authority

- Non-rational type of authority
- Can co-exist alongside legal rational, and traditional authority
- Charisma resides in the individual; persona grace/charm
- The charismatic individual persuades people to do things—has authority over them
- Charismatic community: Unified by members’ shared emotional attachment to the charismatic leader
- Charismatic authority is temporary; resides in the individual (not in bureaucratic office/occupation)
Charismatic Authority

• **Charismatic leaders** use personal authority to generate mass followings that challenge the traditional order.

• The charisma dies with the individual’s death/scandal etc.

Mussolini and Hitler are (negative) examples of charismatic leaders.
Social Stratification

• The processes determining individuals’ and groups’ objective location in the system of social classes
• Weber, unlike Marx, sees multiple sources/gradients of inequality/stratification
  ➢ **Class** is based on Economic resources, Individuals who have similar life chances as a result of property, income, and labor market opportunity.
  ➢ **Status** is based on Social status, prestige, honor, life-style.
  ➢ **Political power**
Modernity and Values

• Core dilemma of modern society: Tension among conflicting values; which values to pursue?

• Scientific knowledge/progress cannot answer the core questions:
  – What shall we do? How shall we live?
  – Science, including sociology are value-neutral; sociologists study society with passion and objectivity; attentive to “inconvenient facts”