

From Agrarian Capitalism to the 'Spirit' of Modern Capitalism: Max Weber's Approaches to the Protestant Ethic*

Wolfgang J. Mommsen

Abstract

The article charts the emergence of *The Protestant Ethic and Spirit of Capitalism* from Weber's work as a National Economist in the 1890s. In particular, it points to Weber's lectures on theoretical national economics and Weber's acceptance of the postulates of marginalism. Alongside these, Weber insisted on the role of culture and ideals in the determination of human economic needs. Weber's attitude to Werner Sombart's *moderner Kapitalismus* is also discussed.

Keywords: Culture and religion, economic conduct, marginalism, methodological individualism, Protestant ethic, Sombart, spirit of modern capitalism.

Next only to bureaucracy, capitalism is a central topic of Max Weber's scholarly and public work. It is worthwhile looking at Weber's encounters with the phenomenon of capitalism in the period prior to and during the writing of *The Protestant Ethic and the Spirit of Capitalism* (hereafter *PESC*).

The first encounter with capitalism, albeit in its agrarian forms, is to be found in Weber's studies on Roman agrarian history. His wide-ranging study, on which Weber embarked at the behest of August Meitzen in 1890, was supposed to analyse the impact of the Roman legal system upon the agrarian economy. However, Weber was soon driven beyond the confines of this somewhat narrow approach. He analysed the social structure of Roman society in its entirety, and soon discovered that aided by the legal system there had emerged a full-fledged system of agrarian capitalism. The somewhat clumsily entitled *Die römische Agrargeschichte in ihrer Bedeutung für das Staats- und Privaa-*

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*trecht*¹ (1891) (Roman Agrarian History and its Significance for Public and Private Law) focused above all on one issue, the consequences of agrarian law in ancient Rome for the economic system. Against the backdrop of a traditional economy Weber described the emergence, the dominance and, finally, the decline of what he described as a fully developed agrarian capitalism. The progressive spread of the principle of unconditional 'freedom of disposal of land ownership and its total economic mobilisation'² was in Weber's view the key factor that more than anything had made possible the rise of a large-scale agrarian capitalism. Indeed, by abolishing all restrictions on the acquisition and the marketing of land there occurred, as Weber put it, 'the most unlimited capitalism in land property that the world ever has seen'.³ The gradual implementation of the principle of unrestricted ownership of land during the Roman Republic was the backbone of a market economy which had made possible the rise of Rome to a huge political and commercial empire. According to Weber, the traditional communal structures as well as the relatively independent position of the smaller farmers were totally destroyed in favour of an agrarian economy dominated by large-scale estates. Admittedly, Roman capitalism displayed in many ways the features of what Weber called '*Beutekapitalismus*'.⁴ Its rise and its existence had been dependent throughout upon the boost that it had received by permanent wars and the acquisition of new territories; besides it required a regular supply of new slaves in order to maintain itself. Even so, it promoted the emergence of a capitalist mode of economic exchange throughout the Republic and the later Roman Empire based upon the unrestricted exploitation of landed properties.⁵

As time went on, however, and the supply of slaves dried up, the system of agrarian capitalism gradually withered away and, finally, the free market economy was supplanted by the '*Kolonat*'. This was a

1. Max Weber, *Die römische Agrargeschichte in ihrer Bedeutung für das Staats- und Privatrecht* (Stuttgart: Ferdinand Enke, 1891). See now the authoritative edition by Jürgen Deininger, *Max Weber: Die römische Agrargeschichte für das Staats- und Privatrecht*, MWG I/2 (Tübingen: J.C.B. Mohr, 1986).

2. Max Weber: *Die römische Agrargeschichte*, p. 160. Translations throughout are by W.J. Mommsen unless referenced otherwise.

3. Max Weber: *Die römische Agrargeschichte*, p. 216.

4. The term is used later in *Wirtschaft und Gesellschaft: Grundriß der Sozialökonomik* (Abteilung III; Tübingen: J.C.B. Mohr, 1922), pp. 624, 760 (MWG I/22-1, p. 236, and MWG I/22-4, p. 485).

5. Cf. MWG I/2, pp. 1-54, in particular pp. 45-47.