

Puritan American Capitalists and Evolutionary Game Theory

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Abstract

Two of the distinctive ways of behaving which Weber attributed to Protestant, and more specifically Puritan, capitalists have a particular relevance to the evolution of capitalism in the Northern United States: first, their willingness to deal fairly not only within but also outside of the community of fellow-believers; second, the 'ascetic compulsion to save' which led them to reinvest their surpluses rather than either thesaurize or consume them. The importance of the two for the explanation of the success of 'modern' capitalist enterprises as Weber defined them is supported not only by the evidence which Weber himself adduced in his essay on the 'Protestant Sects' but also by arguments drawn from evolutionary game theory.

Keywords: Capitalism, evolution, game theory, Puritanism.

Any recognizable version of the so-called 'Weber thesis' depends on there having been a significant difference between the behaviour of capitalists imbued with a distinctive Protestant, or more specifically Puritan, ethos¹ and capitalists who, however avaricious in the pursuit of wealth, did not share that outlook and way of life and were for that reason less likely to create and sustain successful long-term business enterprises of the kind that would come to dominate the 'modern' world. No doubt there is still scope for argument both about how Weber's own formulation, whether in the original publication of 1904–1905 or the heavily footnoted version of 1920, should be interpreted and about how well it can be defended against its numerous critics.

1. 'Ethos' is the term Weber himself uses in the 'Protestant Sects' essay (1922: 235) in what he calls its 'sociological sense' and attributes to all the Puritan denominations. Cf. Ghosh (2003: 187) who, in discussing the 'Protestant Ethic', remarks that 'one of many possible improvements to the original title might be to change *Protestant Ethic* to *Puritan Ethic*, since it is evident that in ordinary usage the traditional and capricious label of "Protestant" does not denote the novel, sharply formulated, and purely Weberian concept of "ascetic Protestant" in the mind of the reader'.

This article, however, makes no attempt to address either of these questions directly. Its different, although not unrelated, purpose is to argue that two distinctive ways of behaving which Weber attributed to Protestant, or more specifically Puritan, capitalists did enjoy a competitive advantage in the environment in which 'modern' capitalism evolved in the Northern United States. The case is argued partly by reference to Weber's own first-hand impressions of North American capitalists, and partly by reference to a branch of behavioural science which Weber could not possibly have anticipated, but whose importance he could readily have appreciated if he had: evolutionary game theory.

I

Fundamental to the evolutionary game-theoretic approach is the separation of the action (the strategy) from the agent (the player). The successful strategies are those whose implementation increases their own reproductive fitness, while 'the individuals that implement them on various occasions recede from view' (Skyrms 1996: 10). This does not mean that the players are not self-conscious decision-makers choosing which strategy to follow. On the contrary, once cultural rather than natural selection is the driving evolutionary force, the players are well aware of the relative pay-offs of the different strategies on offer and thus able to imitate them deliberately in proportion to their success (Skyrms 2004: 21). But the objects of selection are the strategies which turn out to be better adapted than their competitors in the environment in which they are played, not the various players who successively benefit from having played them. To that extent, a game-theoretic approach can be said to be alien to Weber's way of thinking, since he tends to use the term 'selection' ('Auslese') in order to focus on the individuals or groups best able to succeed in competition with one another under the conditions imposed by capitalist industrial society,² while at the same time repudiating its metaphorical and implicitly evaluative application to historical explanation.³ On

2. As not only in the Protestant Ethic study (1922: 37) but also in the 'Methodological Introduction' of 1908 to his study of industrial workers undertaken for the *Verein für Sozialpolitik* (1924: 37) and again in his wartime lecture on Socialism (1924: 501).

3. There is, however, some ambiguity in his attitude to the concepts of 'selection' and 'adaptation' ('Anpassung'), not only in the passage just cited from the 'Protestant Ethic' but in Section 8 of Chapter 1 of *Economy and Society*; and although in the