

Formal rationality and its implications for capitalist society



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Max Weber was conflicted in regards to the concept of formal rationality and its implications for capitalist society. On one hand, formal rationality's principles of efficiency in the realms of social and economic organization allowed for the development and prosperity of modern western capitalist society. The problem is that this rapid progression has contributed to a society in which we live within an "iron cage" of constraints. The ease with which a person can live a life devoid of these constraints, with full autonomy and freedom, has been significantly lessened with the rise of bureaucratic thought in modern times. Formal rationality imposes order on the society we live in via strict, quantifiable terms with decisions largely based on universally applied rules laws and regulations that strive for calculable efficiency.

This has led to the rise of bureaucracy which he defines as "goal-oriented organizations designed according to rational principles in order to efficiently attain the stated goals." In other words, bureaucratic institutions tightly control and direct human behavior. Institutional benchmarks of modern society, such as business, military, church, government and education all seem to contain some level of this bureaucratic influence. According to Weber, these institutions carry out "rational social actions with the ultimate goal of achieving the institutions bureaucratic goals." Another form of rationality, Substantive rationality, incorporates a wider range of considerations into decision making, with areas such as family or religious values being taken into further consideration. Weber felt that as formal rationality and bureaucratic organizations increased their dominance, the ability for substantive rationality to sustain was lessened.

Modern times do seem to have reflected Weber's prediction; formal rationality has led to vast economic expansion and efficiency via capitalism but it has been at the expense of tradition, emotion and moral values. What Weber feared would be lost in the bureaucratic transformation was the open-ended element of life; that the modern world, so impacted by these rational principles, would lend itself to a world largely devoid of imagination, creativity, and spontaneity. Secondary education demonstrates this concept; teachers are required to cover very specific material, to test and grade using hierarchical methods gearing towards state and federal sanctioned standardized testing. If one realistically wants to eventually get that coveted investment banking job at Goldman Sachs, the realistic path entails thriving in this bureaucratic structure. In addition, something like

In the contemporary age, Sociologist George Ritzer's views our society as being more and more influenced by the principles of the fast food industry, including concepts such as sales over taste and the harmful human consequence of this shift. His "McDonaldization" analogy further reflects formal rationality's modern existence. Formal rationality has led to the prevalence of bureaucracy and increased economic expansion, but has created a colder, more controlled world.

Part I. Question II.

Weber's conception of social stratification can be seen as multiple structural categories that dictate a person's standing in society. Whereas Marx believed that power was almost always rooted in economic relations, Weber believes in a more multilayered approach. Weber agrees with Marx that in modern capitalist times, economic power may be the driving force, but it is <https://assignbuster.com/formal-rationality-and-its-implications-for-capitalist-society/>

not just class, or a person's economic position in a society, that acts as the source of position. Furthermore, Weber seems to find Marx's take on class as overly simplified; rather than a model based highly on owner and worker, Weber posits a model based on a more multidimensional view of class, breaking it into four classes; upper class, white collar workers, the petite bourgeoisie and the manual working class.

He introduced two other components that are interrelated with class. They are Status, which is highly influenced by the social component, and Party, which is highly influenced by the political. A person's status is their prestige or social honor in a society. Status groups are held together by social esteem and honor that others bestow on them. The pope and many figures of political power do not necessarily have high levels of capital but they can still have high standing in society. Party is closely tied to elements of politics and power and can represent a mixture of the realms of status and class.

Weber's view has been demonstrated in modern western society. While elements of class in general have applied consistently over time, it is his additional concepts of status and party that offer unique insight into our modern world. Many figures of power in our society lack economic wealth yet have a high degree of power socially or politically. For example, teachers, or intellectuals, for example, have high status and are respected yet often times lack economic wealth. In conclusion, Weber feels that economic power may be the result of power based on other grounds, and that sometimes people's desire to achieve it is influenced by an interest social honor.

Part II. Question I

In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber discusses how the development of a capitalistic spirit is related to the Protestant Reformation and Protestant views. Using both empirical and theoretical evidence, he finds that the Protestant Ethic leads to a strong spirit of capitalism. The notion of capitalism in this context varies from Marx's in that Marx focuses on production and accumulation of capital while Weber focuses on capitalism with a more rational approach. Weber's argument in regards to the origins of capitalism is a repudiation of Marx's historical materialism where Marx believes everything to be material including producers of capital. Weber's approach, however, focuses on the Protestant idea of the "calling" in which everyone is predestined by God's will in their trades which generate a status system. This natural destiny makes the division of labor less contentious compared to Marx's view since the classes and the division came about in a natural way predestined by God. His method of investigation is successful in capturing the mind of the ascetic Protestants to some degree since he only focuses on "ideal types" of religion. This limits his study since only some aspects of a complex religion are addressed. His approach is accurate when applying it to contemporary life. His "iron cage" metaphor illuminates the current state of capitalism in modern society. In the contemporary society, material gains have taken over as the focal point in capitalism and the Protestant ascetic has left the cage, leaving behind the remnants of a departed faith.

Weber arrives at his argument of making a connection between ascetic Protestantism and a capitalistic culture by looking at when and where

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capitalism came about and how. He noticed that it was during the Protestant reformation so by using theoretical and well as empirical evidence, he questioned why a spirit of capitalism would be popular amongst Protestants. It is important to note unique factors of the Protestant faith that make it different from Catholicism for example. In the Protestant faith, there are not priests who act as an intermediary to God as there is with the Catholic faith. Individuals speak directly to God. Another marking factor is the idea of the "calling". The calling and asceticism arose during the Reformation. In many Protestant faiths, particularly Calvinism, there is the concept of predestination. This idea holds that your destiny is predetermined by God; that there are chosen ones. This idea that you cannot change your own destiny leads to "a feeling of unimaginable inner loneliness of the solitary individual. The question of eternal salvation constituted people's primary life concern during the Reformation epoch, yet they were directed to pursue their life's journey in solitude." [1] Individuals knew that their lives were decided but desperately wanted to assure themselves that they were among the selected. A sort of folk wisdom then developed positing that one's position could be revealed by studying the degree of his conviction that he was among those chosen, with doubt being viewed as the devil's work. To compensate for this insecurity, individuals wanted to demonstrate that might be proof of their elevated state of grace. The idea is that humans are on earth with the purpose of glorifying God and in order to do this, one must perform their work to the fullest. This lends itself to a strong work ethic. Work helps get rid of the uncertainty that comes with predestination. This was instrumental in the rise of the spirit of capitalism.

The spirit of capitalism holds a rational approach in that it focuses on the ends and attempts to find a balance that produces the most gains. It is not the accumulation of wealth but rather earning the greatest profit. To define this spirit of capitalism, Weber looks to Benjamin Franklin. This spirit to prosper is what differentiates it from just ordinary capitalism. Earning money represents mastery of one's calling; if they have gained profits they have done well in their work meaning that they have accepted and acted on God's will. The amount of success that one had in their "calling" reflected God's message of their predestined soul.

Another idea of Protestant faith is to live like a monk such that, the money or wealth achieved should not be spent but rather must be invested or used to improve the calling. This type of work determines status through the calling. Since it is God's doing, class conflict is lessened and the division seems to arise in a more organic way. This argument is a repudiation of Marx's argument in which changes in society are based on materialism and production of capital. Marx believed that change takes place through the struggle between classes and that our society exists in stages. While we are currently in a capitalistic society, Marx felt that it would soon lead to a communist society via class consciousness. In Marxism, the proletariat and the bourgeoisie have a conflicting relationship such that a class overthrow is inevitable. This antagonistic relationship between classes is in contrast to Weber's view that everyone has their own calling and accepts it as a message from God.

Weber's approach of investigation, *Verstehen*, is successful to some degree in capturing the frame of mind of the ascetic Protestant. Weber believed this <https://assignbuster.com/formal-rationality-and-its-implications-for-capitalist-society/>

approach to be the most effective and appropriate way in studying social life. Verstehen is about understanding the social actors in the situation and putting the self in the actor's position and mindset. He tried to understand the factors that made one act on certain things and the meaning of why and how individuals acted in certain situations. He is delving deeper than just observing actions but rather what triggers these actions. He is trying to understand and make something out of these decisions. In this sort of understanding and interpretation, Weber contends that the interpreter must characterize the actions into "ideal types" or classifications that are already familiar to the interpreter. This notion of the "ideal type" becomes problematic since the action must be forced into a category that already exists. When Weber is trying to understand the spirit of capitalism in regards to the Protestant ethic, his theoretical research uses the "ideal type" of the Protestant faith. In this type of application the complexity of the religion is ignored and only certain aspects are addressed. That is, only relevant points are brought up, points that contribute to his understanding of the spirit of capitalism. By doing this he is leaving out other points and aspects of the religion that could potentially disapprove his arguments. This approach has limitations since it approaches religion in a simplified form. His study would be far lengthier had he taken all aspects of the faith into account; the application to the spirit of capitalism would be endless if all Protestant faiths and beliefs were evaluated.

His judgments on the modern economic order are presented using his "iron cage" metaphor. In the contemporary society, material gains have taken over as the focal point in capitalism. Individuals feel trapped in this

capitalistic cage and Protestant beliefs have diminished, leaving behind callings as well as ascetic: left behind is the “ghost of beliefs no longer anchored in the substance of religion.”[2]He explains that the spirit of Capitalism is very much evident in the writings of Benjamin Franklin even though the religious undertones are not apparent. This shows that the spirit can still occur without the Protestant teachings. When comparing the Protestant worker to the modern worker, it is evident that the means and the ends in work have shifted. The Protestant worker acted to live an ascetic lifestyle, one that is encouraged by the Protestant Reformation. The ends were having a good work ethic and performing ones calling to glorify God. This produced religious glorification and comfort. Now when addressing the modern worker, the means is to find a vocation and perform it for the end which is accumulation of wealth. The difference is that the meaning of a Protestant’s life during the Reformation time is based on one’s calling and hoping for salvation from God. Today, since there are varying religions, the meaning of life is not so clear and more unique to each individual. An interesting point is to show that the spirit is still evident, “The Puritan wanted to be a person with a vocational calling; we must be.”[3]The value placed on material goods marks the modern economic order,

“To the extent that asceticism undertook to transform and influence the world, the world’s material goods acquired an increasing, and in the end, inescapable power over the people-as never before in history.”[4]

He singles out the United States in his conclusion as the area in which capital gain has been “completely unchained and stripped” of all religious value

describing the modern economic order here as a competitive sports-like game.

Weber's musings provide a useful window into contemporary life. It is intriguing to think about his views of modern economic order and how accurate he was. Weber wrote *The Protestant Ethic and the Spirit of Capitalism* over one hundred years ago, yet recognized the fate of American society as an outsider (Germany). It is obvious that Americans have become a capitalistic culture where value is placed on accumulation of wealth. One percent of the population controls the vast majority of wealth and this elite group often cares comparatively little for the rest of the population. Moral and religious values have declined over time and they do not play a large role in work. Today, individuals usually work to have means to support themselves and their families. For some, the idea of the calling is evident such that people feel so passionate about their work that they couldn't see themselves holding any other job. On the other hand, most do not have this attitude due to religious beliefs but rather for their own satisfaction.

The Protestant Ethic and the Spirit of Capitalism is successful in relating a strong spirit of capitalism to the Protestant Reformation. Using both theoretical and empirical evidence Weber comes to the conclusion that many unique Protestant beliefs lend themselves to a capitalistic mindset. The belief of the "calling" and predestination make workers motivated by faith and God's glorification as chosen ones. It is fascinating to think about how Weber predicted the path that society would take in the means and ends of capitalism. He recognizes the current state of American society as one driven and based on material goods. Religious faith is left behind leaving individuals

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in an iron cage of a rational capitalism that no longer needs religious influence.