

**CENTENNIAL RUMINATION**  
**on Max Weber's *The Protestant Ethic and The Spirit of Capitalism***

by

**Mark D. Isaacs**

ISBN: 1-58112-310-8

**DISSERTATION.COM**



Boca Raton, Florida  
USA • 2006

CENTENNIAL RUMINATION  
on Max Weber's *The Protestant Ethic and The Spirit of Capitalism*

Copyright © 2005 Mark D. Isaacs  
All rights reserved.

Dissertation.com  
Boca Raton, Florida  
USA • 2006

ISBN: 1-58112-310-8

# CENTENNIAL RUMINATION

----- on -----

Max Weber's

*The Protestant Ethic and*

*The Spirit of Capitalism*<sup>1</sup>

---

BASED ON THE DISSERTATION SUBMITTED BY  
**THE REV. MARK D. ISAACS., B.A., M.Div., S.T.M., Ph.D.**

TO THE FACULTY OF  
TRINITY THEOLOGICAL SEMINARY  
In partial fulfillment of the requirements for the degree of  
DOCTOR OF PHILOSOPHY  
July 29, 2005

---

<sup>1</sup> Formal dissertation title: "Paradigm Lost? A Centennial Reflection On Max Weber's *The Protestant Ethic And The Spirit Of Capitalism* (1904-1905) And The Future Prospects For Capitalism In This Secular, Global, And Multicultural Post-Modern Era."



## **TABLE OF CONTENTS**

Chapter

I.	Introduction ( <i>Exordium</i> ) .....	1
II.	Steps in the Argument ( <i>Divisio</i> ) .....	19
III.	Statement of Fact ( <i>Narratio</i> ) .....	32
IV.	Proof of Case ( <i>Confirmatio or Probatio</i> ) .....	140
V.	Refutation of Opposing Arguments ( <i>Confutatio</i> ) .....	164
VI.	Conclusion ( <i>Peroratio</i> ) .....	187
VII.	Appendix: Who is Max Weber? .....	199
VIII.	Bibliography .....	243

---



Max Weber was born in Erfurt, Germany on April 21, 1864. This bronze bust of Max Weber is in the lobby of the Universität Erfurt, Max-Weber-Kolleg, in Erfurt, Germany. Max-Weber-Kolleg is located a few blocks from the Black Cloister [monastery] of the Reformed Congregation of the Augustinian Hermits where Dr. Martin Luther (1483-1546) became a monk (July 17, 1505). Photo taken in Erfurt by the Rev. Dr. Mark D. Isaacs in December 2004.

# DISSERTATION ABSTRACT

PARADIGM LOST?  
A CENTENNIAL REFLECTION ON MAX WEBER'S  
*THE PROTESTANT ETHIC AND THE SPIRIT OF CAPITALISM* (1904-1905)  
AND THE FUTURE PROSPECTS FOR CAPITALISM  
IN THIS SECULAR, GLOBAL, AND MULTICULTURAL POST-MODERN ERA

The Rev. Dr. Mark D. Isaacs

Bachelor of Arts, Westfield State College, 1980  
Master of Divinity, Lutheran Theological Seminary at Gettysburg, 1992  
Master of Sacred Theology, Lutheran Theological Seminary at Gettysburg, 2005  
Doctor of Philosophy, Trinity Theological Seminary, 2005

Dissertation Committee Chairman: The Rev. Dr. David Paul Meyer

**I**N 1904-1905 MAX WEBER published the sociological classic *The Protestant Ethic and the Spirit of Capitalism*. In this book Weber argues that religion, specifically “ascetic Protestantism” provided the essential social and cultural infrastructure that led to modern capitalism. Weber’s suggests that Protestantism has “an affinity for capitalism.”

Indeed, something within Protestantism—by accident or design—creates the necessary preconditions that lead to the flowering of a just, free, and prosperous society. At the same time, Weber wonders if the economic backwardness of certain societies and regions of the world are somehow related to their religious affiliation. Weber’s century old thesis challenges the erroneous core assumptions of many secular humanists, postmoderns, Roman Catholic traditionalists, and Islamists. In view of the threat of the War on Terror, and in the face of the inadequate response of secularist and post-modern intellectuals, it is vital that we understand and appreciate the profound paradigm shift that occurred during the sixteenth and seventeenth century that led to the unfolding of modern capitalism. Despite a plethora of critics Max Weber’s one-hundred year old thesis still stands.

## ABOUT THE AUTHOR:

**R**ESearcher, Author, and Lecturer, the Rev. Dr. Mark D. Isaacs is an active Lutheran clergyman, a preacher-teacher, an adjunct college and seminary professor, an Austrian economist and a conservative-libertarian, a geographer, historian, Bible scholar, theologian, apologist, and comparative religions scholar.

Pastor Mark—born in Minneapolis, and baptized in Hazel Run, Minnesota—has lived most of his life on the East Coast in Maryland, New Jersey, Massachusetts, Pennsylvania, and Upstate New York. He received a B.A. in Economics from Westfield State College (1980), a Master of Divinity degree (1992) and a Masters of Sacred Theology degree [S.T.M] (2005) from the Lutheran Theological Seminary in Gettysburg. Pastor Mark's soon to be published book entitled *THE END: Textual Criticism and Apocalyptic Speculation in Johann Albrecht Bengel (1687-1752)* is based on his S.T.M. thesis. He earned his Ph.D., *Summa Cum Laude*, from Trinity Theological Seminary in Newburgh, Indiana (2005). He is currently a candidate for a Doctor of Ministry degree at the Lutheran Theological Seminary at Philadelphia. He expects to complete the requirements for his D.Min. degree by May 2007.

Before attending seminary, Pastor Mark worked as a research economist, business editor, and economics writer. He has published more than 350 articles on a wide range of cultural, political, economic, and religious issues.

Since June 1996 Pastor Mark has had the privilege of serving as pastor of St. Paul's Lutheran Church of Wurtemberg located in Rhinebeck, New York. St. Paul's (*Wurtemberg*), an active and growing congregation, was founded in 1760 [see [www.stpaulswurtemberg.org](http://www.stpaulswurtemberg.org)]. St. Paul's (*Wurtemberg*) is a member of the Evangelical Lutheran Conference and Ministerium. The ELCM is a centerist Lutheran denomination [see [www.elcm.org](http://www.elcm.org)]. Pastor Mark is currently writing the soon to be published *250<sup>th</sup> Anniversary History of St. Paul's Lutheran Church of Wurtemberg*.

Since January 2000 Pastor Mark has served as an adjunct professor in several area colleges. Reflecting his interdisciplinary background and interests, Pastor Mark teaches a wide variety of classes including; *Economics of Social Issues; Macroeconomics; Microeconomics; Global Business and Society; Economic Geography; Business Ethics; Marketing; Introduction to Business Management; Organizational Management and Behavior; Leadership; Public Presentations; Interpersonal Communications; Western Civilization; American History; World Religions; Comparative Religions; World Views and Values. Introduction to Philosophy; Introduction to Biblical Studies; Physical Geography; and Religion and Economics.*

## CHAPTER ONE: Introduction (*Exordium*)

*“The inner-worldly asceticism of Protestantism first produced a capitalistic state, although unintentionally, for it opened the way to a career in business, especially for the most devout and ethically rigorous people. Above all, Protestantism interpreted success in business as the fruit of a rational mode of life.”*  
—Max Weber<sup>2</sup>

*“At a superficial level much of Western culture has indeed permeated the rest of the world. At a more basic level, however, Western concepts differ fundamentally from those prevalent in other civilizations. Western ideas of individualism, liberalism, constitutionalism, human rights, equality, liberty, the rule of law, democracy, free markets, the separation of church and state, often have little resonance in Islamic, Confucian, Japanese, Hindu, Buddhist or [Eastern] Orthodox cultures. Western efforts to propagate each of these ideas produce instead a reaction against ‘human rights imperialism’ and a reaffirmation of indigenous values, as can be seen in the support for religious fundamentalism by the younger generation in non-Western cultures.”*  
—Samuel P. Huntington, “The Clash of Civilizations,” *Foreign Affairs*, Summer 1993<sup>3</sup>

**T**HE WAY IT IS NOW is now is not the way it has always been. In fact, the people of the West are living in a period—since roughly 1750 to 1820—of unprecedented material abundance and prosperity.

Economic historian Mark Skousen writes:

For centuries and millennia, from Roman times through the Dark Ages and the Renaissance, man struggled to survive by the sweat of his brow. Often only eking out a bare existence. He was constantly guarding against premature death, disease, famine, war, and subsistence wages. Only a fortunate few—primarily rulers and aristocrats—lived a leisurely life. For the common man, little changed over the centuries. Real per capita wages were virtually the same, year after year, decade after decade.<sup>4</sup>

---

<sup>2</sup> Max Weber, translated by Ephraim Fischhoff, *The Sociology of Religion* (Boston: Beacon Press, 1922, 1993), p.220.

<sup>3</sup> Samuel P. Huntington, “The Clash of Civilizations,” reprinted from *Foreign Affairs in American and the World: Debating the New Shape of International Politics*, Gideon Rose, ed., (New York: The Council on Foreign Relations, W.W. Norton, 2002), p.43-70.

<sup>4</sup> Mark Skousen, *The Making of Modern Economics: The Lives and Ideas of the Great Thinkers* (Armonk, New York, 2001), p.13.

Economically speaking, in the period between roughly 1750 to 1820, down to the present time, people in the West have been living in the midst of a grand historical aberration.

Llewellyn H. Rockwell, Jr., President of the Ludwig von Mises Institute, explains,

The market economy has created unfathomable prosperity and, decade by decade, century by century, miraculous feats of innovation, production, distribution, and social coordination. To the free market, we owe all material prosperity, all leisure time, our health and longevity, our huge and growing population, nearly everything we call life itself. Capitalism, and capitalism alone, has rescued the human race from degrading poverty, rampant sickness and early death. In the absence of the capitalist economy and all its underlying institutions, the world's population would, over time, shrink to a fraction of its current size, with whatever was left of the human race systematically reduced to subsistence, eating only what can be hunted or gathered.<sup>5</sup>

Indeed, since the middle of the eighteenth century, the development of capitalism in the Netherlands, Great Britain, the United States, and elsewhere has had startling effects on the lives of ordinary people. For example:

Over 90 percent of the improvement in the material living standards of ordinary people that has occurred in the six thousand years of recorded human history has occurred in the last two hundred and fifty years.<sup>6</sup>

Mean life expectancy, the ultimate economic statistic, in the United States has risen from 35 years in 1800 (males), to 49 in 1900 (males), and to 74 (males) and 80 (females) in 2003.<sup>7</sup>

Famine in advanced capitalist nations has virtually disappeared. Charles Murray explains,

It is hard to realize today, but famine was a common European phenomenon through the eighteenth century. France, for example, among the richest of the European countries, experienced 13 general famines in the sixteenth century, 11 in the seventeenth century, and 16 in the eighteenth century, plus hundreds of local famines that affected a single town or region. The explanation for the famines was simple. The yields from cereal grains [prior to the “green revolution”] were low and the capacity to store reserves primitive. Two bad harvests in a row, and people starved. It was during the eighteenth century that technological progress

---

<sup>5</sup> Llewellyn H. Rockwell, Jr., “The Legitimacy of Capitalism,” The Ludwig von Mises Institute, <[www.mises.org](http://www.mises.org)> (July 19, 2002).

<sup>6</sup> James Ralph Edwards, “Do Big Corporations Control America?” *The Freeman: Ideas on Liberty*, Foundation for Economic Education, Irvington-on-Hudson, New York (March 2002, vol.52, No.3, p.42).

<sup>7</sup> Howard Veregin, ed., *Goode's World Atlas*, 21<sup>st</sup> edition (Skokie, Illinois: Rand McNally, 2005), p.250.

in agriculture [e.g., crop rotation, insecticides, pesticides, high bred seed, mechanized farm equipment, rapid transportation of harvested crops to markets, refrigeration, canning and preservation of foods, etc.] began to break the grip of that brutal arithmetic.<sup>8</sup>

The green revolution, i.e., scientific agriculture, hybrid seed, irrigation, crop rotation, etc., improved the vitality, strength, and general health of most people. In addition, a host of formerly deadly diseases that traditionally have decimated the human population have been conquered by a combination of advances in modern medical science and improved public sanitation.<sup>9</sup> For example, in 1796 Edward Jenner developed a safe method of inoculation against smallpox.<sup>10</sup> In 1862 Louis Pasteur's germ theory of disease gained wide acceptance,<sup>11</sup> and in 1881 William Halsted conducted the first known human blood transfusion. In 1928 Alexander Fleming discovered penicillin, the first antibiotic.<sup>12</sup>

These stunning improvements are the direct result of the gradual displacement of rigid class and status relationships characteristic of classical and medieval society. Classical and medieval societies were based on the rigid labor-intensive slave and serf caste structure.<sup>13</sup>

In the West this ancient order<sup>14</sup> was shattered by two profound changes. First, voluntary contract based relationships between mutually consenting individuals replaced traditional status based relationships. And second, the power of the State was limited to the enforcement of contracts, providing a national defense, preventing crime, and a few other basic functions.<sup>15</sup>

In economic terms we would say that the chief characteristic of modern capitalism is that *Capital* has been substituted for *Labor* within the context of a political system based on the rule of law and the protection of private property rights and individual liberties. Describing this peaceful revolution famed British historian Sir Henry Maine (1822-1888)

---

<sup>8</sup> Charles Murray, *Human Accomplishment: The Pursuit of Excellence in the Arts and Sciences, 800 B.C. to 1950* (New York: HarperCollins Publishers, 2003), p.47.

<sup>9</sup> Jared Diamond, *Guns, Germs and Steel: The Fate of Human Societies* (New York: W.W. Norton, 1997).

<sup>10</sup> Murray, p.47.

<sup>11</sup> Ibid., p.128.

<sup>12</sup> Murray, p.149.

<sup>13</sup> Max Weber calls this *Economic Traditionalism* based on "family, clan and tribal relationships."

<sup>14</sup> James Ralph Edwards, p.42.

<sup>15</sup> To protect liberty and to promote social harmony and economic prosperity John Locke (1632-1704) and other thinkers in the Classical Liberal tradition argued for a minimalist role for the State.

wrote “the movement of the progressive societies has hitherto been a movement from status to contract.”<sup>16</sup>

### **The Capitalist Revolution**

On January 11, 1999 *The Wall Street Journal* published an important article entitled “Poor Until 1820.” Angus Maddison, emeritus professor of economics at the University of Groningen in the Netherlands, is a pioneer in the effort to quantify the economic performance of societies, cultures, and nations over long periods of time.<sup>17</sup> Maddison produced a chart on *World GDP Growth in the Past Two Millennia*.<sup>18</sup> This chart indicates a stunning statistical break. From A.D. 1 until roughly A.D. 1820 estimated world per capita GDP was flat averaging less than \$500 (1990 constant dollars) per year.

In other words, most people through the first 1,800 years of the past 2,000 years of human history were desperately poor, i.e., living at or below subsistence level. With incomes at this low level we can expect a host of social consequences such as low life expectancy, high infant mortality rates, high crime rates, unsanitary living conditions, periodic famines, and high illiteracy rates. Or, in the words of Thomas Hobbes’ *Leviathan* (1651), in the state of nature, i.e., most of recorded human history, there were “no arts, no letters, no society, and, which is worst of all continual fear and danger of violent death, and the life of man solitary, poor, nasty, brutish, and short.”<sup>19</sup>

According to Maddison’s research, in about 1820, per capita GDP began to experience a sudden and dramatic leap upward. A flowering of arts and sciences [i.e., culture] in the West tended to follow economic prosperity.

Charles Murray notes that,

Human accomplishment in the arts and sciences first became possible because of wealth [*Capital*] accumulation. Only with the accumulation of a surplus beyond the necessities of survival could human communities support a class of people who are engaged in work that did not directly contribute to food, shelter, clothing, and raising the next generation.<sup>20</sup>

Additional research by Maddison indicates that the virtual explosion in income and prosperity since 1820 has been largely confined to the West. That is, this explosion in prosperity appears to have eluded the rest of the world. “The rest of the world” includes

---

<sup>16</sup> Sir Henry Maine, *Ancient Law* (New York: E.P. Dutton and Co., 1917), p.2.

<sup>17</sup> Angus Maddison’s book *The World Economy: A Millennial Perspective* (Development Centre Studies) contains a wealth of statistics covering the development of the world economy over the past 2000 years.

<sup>18</sup> Maddison’s chart also appears in David C. Colander, *Microeconomics* (New York: McGraw-Hill Irwin, 2001), Figure 2-7, p.44.

<sup>19</sup> John Bartlett, *Familiar Quotations* (Boston: Little, Brown and Company, 1955), p.229.

<sup>20</sup> Murray, p.336.

Africa, China, central Asia, Latin America, and “the other Europe,” i.e., Spain, Portugal, Italy, Greece, Eastern Europe, Russia, and the former republics of the U.S.S.R.

According to recent statistics reported in *The Central Intelligence Agency World Factbook*,<sup>21</sup> in 2002, per capita GDP in the United States was \$37,600 compared to \$550 in Somalia; \$1,700 in the Cameroon; \$750 in Ethiopia; \$875 in Nigeria; \$900 in the Congo; and \$2,400 in Zimbabwe. During the same period, in South America per capita GDP was \$2,500 in Bolivia; \$3,100 in Ecuador; \$7,600 in Brazil and \$10,200 in Argentina. In Europe, per capita GDP was \$4,500 in Albania; \$9,300 in Russia; \$20,700 in Spain; \$25,000 in Italy; \$25,300 in the United Kingdom; and \$25,400 in Sweden and \$26,600 in Germany. In Asia, per capita GDP was \$700 in Afghanistan; \$2,540 in India; \$2,100 in Pakistan; \$4,400 in China and \$28,000 in Japan.<sup>22</sup>

Maddison concludes that, “from a Western standpoint, long-run per capita performance in all other parts of the world has been distinctly disappointing.”<sup>23</sup>

### **Toffler’s Three Waves**

Maddison’s chart can be combined with Alvin Toffler’s famous and useful concept of “the three waves.”<sup>24</sup> In his best selling book, *The Third Wave* (1980), Toffler writes, “until now, the human race has undergone two great waves of change, each one largely obliterating earlier cultures or civilizations and replacing them with ways of life inconceivable to those who came before.”<sup>25</sup> These are:

The **First Wave** of change—the agricultural revolution—took thousands of years to play itself out, i.e., *The Agricultural Age*. Prior to the rise of agriculture humans lived as nomadic hunter-gatherers. Charles Murray estimates that, depending on local conditions, a band of just 25 hunter-gatherers could require more than a thousand square miles of hunting ground to sustain their clan. As a result, Murray estimates that in 8000 B.C. the world population of humans was “fewer than four million.”<sup>26</sup> The rise of agriculture shattered the ancient hunter-gatherer culture. Domesticated animals and the systematic cultivation of cereal crops eliminated the nomadic culture, increased life expectancy and total population, provide a safer environment to raise children, provided a surplus, and a stable environment for the arts and sciences to flourish.

The **Second Wave**, the rise of industrial civilization, i.e., *The Industrial Revolution* (c.1750), took a mere three hundred years to accomplish.

---

<sup>21</sup> *CIA World Factbook* statistics have been compiled from *Goode’s World Atlas*, “World Economic Table” (2005), p.254-255.

<sup>22</sup> *Ibid.*

<sup>23</sup> Angus Maddison, “Poor Since 1820,” *The Wall Street Journal*, January 11, 1999.

<sup>24</sup> Also see Stephen R. Covey, *The 8<sup>th</sup> Habit: From Effectiveness to Greatness* (New York: Free Press, 2004), p.12-24. Covey, in a masterful application of Toffler’s “Three Waves,” adds the Hunter-Gather Stage and the Age of Wisdom.

<sup>25</sup> Alvin Toffler, *The Third Wave* (New York: William Morrow & Co. 1980), p.4.

<sup>26</sup> Murray, p.4.

“Today,” writes Toffler, “history is even more accelerative, and it is likely that the **Third Wave** will sweep across history and complete itself in a few decades.”<sup>27</sup> Toffler calls this Third Wave *The Information Age* (c.1965).

In his textbook, *Macroeconomics*, David T. Colander, reflecting the thinking of Alvin Toffler, states that there have been five waves of technological innovation fueled and driven by entrepreneurs.

These are: the **First Wave** (1785-1835), steam power and iron manufacturing; the **Second Wave** (1835-1885), railroads and steam shipping; the **Third Wave** (1885-1935), chemical, electricity, automobiles, and telecommunications; the **Fourth Wave** (1935-1985), electronics, drugs, computers, nuclear power; and the **Fifth Wave**, (1985-?), genetic engineering, biotechnology, and the Internet.<sup>28</sup>

In the end, whether we define and set up the parameters, sometime between Toffler’s **Second Wave** (c.1750), Colander’s **First Wave** (1785), to Maddison’s \$500 per capita GDP turning point in 1820, there has been a profound revolution that has transformed the lives of ordinary people in the West. This revolution represents a major break, a paradigm shift, away from the stagnant and backward ancient ways and traditions that dominated and limited human civilization until at least the last two to three hundred years.

### **Searching for the Causes of The Capitalist Revolution**

Angus Maddison lists some of the factors that might explain the explosion of income and prosperity in the West. Maddison states that the stunning post 1820 increase in per capita GDP can be attributed to:

The Western recognition of human capacity to transform the forces of nature through rational investigation and experiment. A research agenda in experimental science was unique to the West and a fundamental requirement for the acceleration of technical progress, whose full force was not felt until the nineteenth and twentieth centuries. Institutional changes that removed constraints on markets and the free purchase and sale of property, progress in corporate organization and accountancy and the development of trustworthy financial institutions were all contributing factors in reducing risk and promoting entrepreneurship. The emergence of a European system of nation states in close propinquity [i.e., nearness of blood, kinship] gave an interactive character to European intellectual life and commercial intercourse that was absent in Asia. The Western family system involved controls on fertility and limited obligations to more distant kin. This reinforced the possibilities of accumulation of wealth.<sup>29</sup>

---

<sup>27</sup> Ibid.

<sup>28</sup> Colander, p.192.

<sup>29</sup> Ibid.

Maddison's factors can be summarized as:

- 1.) Rational investigation, i.e., the abandonment of ancient superstitions and reliance on supernaturalist explanations.
- 2.) Systematic and purposeful experimental science and research.
- 3.) An acceleration of technological progress, i.e., successful technological innovation feeds and builds on previous successful technological innovation.
- 4.) Institutional changes that promote entrepreneurship and work to reduce risk via,
  - a.) The removal of mercantilist and interventionist political constraints on markets, i.e., special monopoly privileges granted to the elites by the State.
  - b.) The right to purchase and sell property, i.e., private property rights.
  - c.) The creation of corporations as legal organizations.
  - d.) Accountancy, i.e., double-entry bookkeeping.<sup>30</sup>
  - e.) Trustworthy financial institutions, i.e., the strict enforcement of contracts by the court system.
  - f.) The European system of nation states, i.e., the creation of a professional Police and Military to protect private property rights.
- 5.) Controls on fertility.
- 6.) Limited financial obligations to more distant kin, e.g., The Social Security System.

To Maddison's impressive list historian Paul Johnson, writing in the *National Review*, adds:

Society in the West established a consistent pattern of wealth-making even in the Middle Ages. From the fifteenth century, two factors—the invention of double-entry bookkeeping and of printing from movable type [c.1453]—were joined by six others, all consequences of the rule of law and of (virtual) equality under the law. These were the invention of the legal corporation (later including the limited-liability company and the trust); the development of a clear legal doctrine of marriage and inheritance; the invention of freehold in real estate and of banks operating as sure deposits for liquid wealth (both serving as the basis for lending and investment in mercantile and industrial enterprise); the development of copyright law; the inability of government to confiscate or tax individual property except by due process; and, finally, the invention of an immense range of legal devices, from commercial and personal insurance to stock exchanges (to promote, protect, maximize, and employ savings efficiently).<sup>31</sup>

---

<sup>30</sup> Johann Wolfgang von Goethe (1749-1832) called double-entry bookkeeping “one of the finest inventions of the human mind,” *Wilhelm Meister's Apprenticeship*, Bk. I, chapter x.

<sup>31</sup> Paul Johnson, “Why West Is Best: Secrets of the Good Society,” *National Review*, December 3, 2001.

Angus Maddison's list can be combined with Paul Johnson's [Johnson's additions are shown in *Italic*]:

- 1.) Rational Investigation.
- 2.) Systematic and Purposeful Experimental Science and Research.
- 3.) Technological Progress.
  - a.) *Printing from Movable Type*,<sup>32</sup> i.e., the *proto-Information Age*.
- 4.) Institutional changes reducing risk and promoting entrepreneurship.
  - a.) Removal of political constraints on markets.
  - b.) The free purchase and sale of property, i.e., *the invention of freehold in real estate*.
  - c.) *The inability of government to arbitrarily confiscate or tax individual property except by due process*.
  - d.) *The development of copyright laws*.
  - e.) Corporations as legal organizations. *The invention of the legal corporation including the limited-liability company and the trust*.
  - f.) Accountancy. *Double-entry bookkeeping*.
  - g.) Trustworthy financial institutions. *Banks operating as sure deposits for liquid wealth (both serving as the basis for lending and investment in mercantile and industrial enterprise)*.
  - h.) *The invention of an immense range of legal devices, from commercial and personal insurance to stock exchanges*.
  - i.) The European system of nation states displacing ancient and traditional "family, clan, and tribal" social and political structures.
- 5.) *The Rule of Law displacing the "divine right of kings," and monarchical caprice*.
- 6.) *Equality under the law*.
- 7.) *A clear legal doctrine of marriage and inheritance making individual families the basic building blocks of society*.
- 8.) Controls on fertility.
- 9.) Limited financial obligations to more distant kin.

Angus Maddison and Paul Johnson's research is both profound and valuable. From their listing we can see that there are a series of complex and interlocking social, political, and economic factors, forces, and institutions which created the necessary preconditions and conditions to generate an explosive increase in per capita GDP after more than two thousand years of stagnation.

### **Theoretical Explanations**

One hundred years ago a brilliant and troubled German professor named Max Weber wrote a classic book entitled *The Protestant Ethic and the Spirit of Capitalism*.<sup>33</sup> Max

---

<sup>32</sup> In 1453, the same year that the Islamic Turks conquered Constantinople defeating the Orthodox Byzantine Empire, Johann Gutenberg (1524-1469), and his financier partner Johann Füst, printed the first 42 line Mazarin Bible at Mainz.

Weber (1865-1920),<sup>34</sup> like Angus Maddison and Paul Johnson, appreciated and understood the complex interlocking network of social, political, and economic factors and forces that led to the creation of the unique and prosperous civilization of the West.

Max Weber is important because unlike the majority of mainstream contemporary secular historians, economists, and social scientists that tend to ignore the crucial role and impact of religion, Weber argues that religion is the essential variable in understanding the rise of modern capitalism.<sup>35</sup> Weber argues that religion, specifically ascetic Protestantism [i.e., Calvinism and related sects], provided the essential social and cultural infrastructure that led to the birth and development of the stunning prosperity reflected in post 1750-1820 per capita GDP numbers.

Weber's focus on ascetic Protestantism, and on the subjective meanings that human actors attach to their actions in their mutual orientations within specific social-historical contexts, can be contrasted to Herbert Spencer's (1820-1903) emphasis on the evolution of society as analogous to an organism; Emil Durkheim's (1858-1917) central concern with institutional arrangements that maintain the cohesion of social structures; and Karl Marx's (1818-1883) preoccupation with economic determinism and class conflict leading to an inevitable collapse of the oppressive capitalist system.<sup>36</sup> To this list we might add Adolf Hitler (1889-1945) and National Socialism's ideological obsession with race conflict.<sup>37</sup>

### **Explaining Economic Backwardness**

At the same time, while we can ask what made the West prosper, we need to investigate the “economic backwardness” of certain cultures, societies, and regions of the world that have evidently been left behind. How can we account for what Austrian economist Eugen von Böhm-Bawerk (1851-1914) called the apparent “backwardness of the Romance countries.”<sup>38</sup>

---

<sup>33</sup> For this study I will be using the outstanding new Stephen Kalberg translation of Max Weber's, *The Protestant Ethic and the Spirit of Capitalism*, [Los Angeles: Roxbury Publishing Company (Third Roxbury Edition), 2002]. The Kalberg translation is the first new translation of Weber's *Protestant Ethic* in 70 years. This translation supplants the standard Talcott Parsons translation (1930). Dr. Kalberg is an Associate Professor of Sociology at Boston University and he co-chairs the German Study Group at Harvard University's Center for European Studies.

<sup>34</sup> See Chapter Seven, Appendix, Who is Max Weber?, p.197.

<sup>35</sup> Max Weber sets up a distinction between “adventure or political capitalism” and “modern capitalism.” Adam Smith would label “adventure or political capitalism” mercantilism. “Modern capitalism” would be the *laissez faire* reforms Smith envisioned in *The Wealth of Nations* (1776).

<sup>36</sup> Lewis A. Coser, *Masters of Sociological Thought* (New York: Harcourt Brace Jovanovich, 1971), p.217.

<sup>37</sup> Ludwig von Mises, translated by J. Kahane, *Socialism: An Economic and Sociological Analysis* (Indianapolis: Liberty Fund, 1922, 1932, 1936, 1981), p.528-532.

<sup>38</sup> Eugen von Böhm-Bawerk, *Capital and Interest* (New Holland, Illinois: Libertarian Press, 1959), p.30.

After the terrorist attack on the World Trade Center on September 11, 2001 we can broaden this question to include the economic backwardness and poverty of the Islamic world. According to Peter Benesh, writing in *Investor's Business Daily*, 1.3 billion people live in countries where Islam is the dominant or state religion. During the early Middle Ages, Islamic societies enjoyed a high level of political freedom, economic prosperity, and social achievement.<sup>39</sup> For example, Islamic universities, then the best in the world, supported the spirit of inquiry by preserving and nurturing the knowledge of the ancient Greeks.<sup>40</sup> The Golden Age of Islamic culture came to an end with the merciless Mongol invasions of the thirteenth century.<sup>41</sup> Over the centuries, Islam has declined from a wealthy and influential culture, to one of poverty and low levels of education. Today, within the world's 46 Islamic countries, those who want to modernize, i.e., Westernize, are at odds with Islamic fundamentalists who seek to return to the pattern of nomadic, militaristic, and low level agricultural civilizations characteristic of the Golden Age of Islamic culture.

We know from studying Maddison, Colander, Toffler, and Johnson that the nomadic hunter-gather age and early agricultural age was no "Golden Age." Instead, it was a time of relative poverty and deprivation. Maddison's per capita GDP estimate of \$500 (1990 dollars) is relevant here.

Reasoning that the West's wealth must have been stolen from the Islamic East angry Islamic militants blame the U.S. and Western Europe for modern Islam's economic stagnation and failure. This view was articulated by one Islamic radical who explained "the nice living and stability the West enjoys is not because of the soundness of their thoughts and doctrine [i.e., capitalism]. In fact, it is because of their colonialization of the world, stealing its wealth and sucking the blood of people. Their example is like the example of the thief that is never punished and continues to enjoy a nice luxurious life out of his thievery."<sup>42</sup>

Poverty levels in many Islamic countries are extremely high. For example, according to Peter Benesh:

\* Afghanistan's 26 million people have a per capita income of less than \$178 a year, a life expectancy of about 46 years and more than two-thirds are illiterate.

\* Pakistan's 144 million people live on a per capita GDP of \$487. In Pakistan life expectancy is roughly 61 years and less than half of the population is literate.

\* 69 million Egyptians enjoy a slightly higher per capita GDP at \$1,307—as well as a literacy rate slightly above 50 percent and life expectancy of nearly 64 years.

---

<sup>39</sup> Henry Grady Weaver, *The Mainspring of Human Progress* (Irvington-on-Hudson: The Foundation for Economic Education, 1947, 2001), p. 83-112.

<sup>40</sup> Ibid.

<sup>41</sup> Contemporary Islamic radicals erroneously blame their current plight on the Crusades (1096-1291), Western Imperialism, and the State of Israel [Zionism].

<sup>42</sup> From the article "Islam is the Efficient Cure for the World from the Horrible Disease of Capitalism" (Khilafah.com), September 27, 2001.

\* Some 66 million Turks produce the U.S. GDP equivalent of \$2,813 per capita—with life expectancy of some 71 years and an 85 percent literacy rate.<sup>43</sup>

### **The Insights of Max Weber**

For this reason we turn to Max Weber. Through out his career Weber—in stark contrast to the dominant secular consensus of today<sup>44</sup>—argued that religion plays an essential role in social and economic development. To Maddison and Johnson’s impressive listing of the causes that contributed to the rise of Western style capitalism Max Weber places *religion*—specifically Calvinism, i.e., in Weber’s nomenclature “Protestantism.” To Weber the Protestant Reformation, and the Protestant work ethic, was “the most fateful force in our modern life.”<sup>45</sup>

According to Weber’s doctor-father, Theodor Mommsen,<sup>46</sup> during the nineteenth century Christianity was not so much a name for a religion as it was “the only word expressing the character of today’s international civilization in which numerous millions all over the many-nationed globe feel themselves united.”<sup>47</sup> It transformed Western civilization and brought about the rise of modern capitalism.

Like Paul Johnson, Angus Maddison and many others, Max Weber wondered why the modern rational form of capitalism emerged only in the West.

In addition, Weber wondered if the economic backwardness of certain societies and regions of the world somehow related to their religious affiliation. Weber conducted classic research on the question of a potential causal relationship between the rise of modern capitalism and Protestantism. In 1904/1905 Max Weber published his initial findings in his best-known book *The Protestant Ethic and the Spirit of Capitalism*.<sup>48</sup> In

---

<sup>43</sup> Peter Benesh, "Behind Radical Muslim Discontent: Economic Failure of Modern Islam," *Investor's Business Daily*, September 27, 2001. Tragically, these statistics can be updated with similar shocking results. For current statistics see *The CIA World Factbook*.

<sup>44</sup> Mark Skousen correctly points out that, “intellectuals in the nineteenth and early twentieth centuries disapproved of formal religion. The German philosopher Friedrich Nietzsche viewed faith as a crutch for the morally crippled. Freud saw religion as a delusion and an irrational mental disorder, a neurosis. The materialist Marx argued that economic forces shaped religion [*The Making of Modern Economics: The Lives and Ideas of the Great Thinkers* (London: M.E. Sharpe, 2001), p.261].” The four horseman of the modern and postmodern secular world-view are Darwin, Nietzsche, Freud, and Marx.

<sup>45</sup> *Protestant Ethic*, p.17.

<sup>46</sup> Theodor Mommsen (1817-1903) was Germany’s greatest historian of Ancient Rome.

<sup>47</sup> Paul Johnson, *A History of the Jews* (New York, Harper & Row, 1987), p.312.

<sup>48</sup> Stephen Kalberg writes [p.v-vii] that *The Protestant Ethic and the Spirit of Capitalism* was published in two parts by Max Weber in a social science journal in 1904/1905; revised by Weber in 1920; translated into English by Talcott Parsons in 1930; and newly translated by Kalberg in 2002 as “the Third Roxbury Edition.” Talcott Parsons (1902-1979) was an American sociologist and popularizer of Weber’s work in the US. Parsons served on the faculty of Harvard from 1927-73; his general theoretical system for the analysis of society was developed in *Structure of Social*

this now classic book Weber was interested in tracing the origins of modern capitalism as it arose in the West during the sixteenth and seventeenth centuries. Stephen Kalberg explains that “this capitalism involves the rational organization of free labor; the systematic pursuit of profit; and a new modern economic ethos or spirit.”<sup>49</sup>

As Anthony Giddens writes, “only in the West, and in relatively recent times, has capitalistic activity become associated with the rational organization of formally free labor, i.e., routine, calculating administration within continually functioning enterprises.”<sup>50</sup>

Giddens explains that, “Weber intends *The Protestant Ethic* to be a programmatic work: it is a preliminary exploration of a complex set of issues, and his claims for the range of its application are modest and restricted.”<sup>51</sup>

Thus, it is important to note that *The Protestant Ethic* was only a part of Weber’s broad and ambitious full answer. Weber went on to explore his question in three other major sociology of religion classics; *The Religion of China (Confucianism and Taoism)* (1915); *The Religion of India (Hinduism and Buddhism)* (1916-1917); and *Ancient Judaism* (1917-1919). Weber, who died suddenly in 1920, also planned to explore his question in relation to Islam.<sup>52</sup>

Stephen Turner points out that “Religion [not just Christianity or Protestantism] interested Max Weber for most of his life.”<sup>53</sup> According to Joachim Wach, Max Weber and his friends Ernst Troeltsch (1865-1923) and Werner Sombart (1863-1941) actually created the discipline of the sociology of religion.<sup>54</sup> Max Weber coined the term *Religionssoziologie* to describe the social analysis approach to Christian and non-Christian religions.

Of these three founders of the sociology of religion, Weber has received by far the greatest praise for his logic, his systematization, his fabulous erudition, and the brilliance, lucidity, and energy of his thinking. For this reason, despite the fact Weber’s classic book is one hundred years old his work remains both a controversial and an important text.

---

*Action* (1937), *Social System* (1952), *Structure and Process in Modern Societies* (1960), *Sociological Theory and Modern Society* (1968), *Politics and Social Structure* (1969).

<sup>49</sup> Stephen Kalberg, p.lxxix.

<sup>50</sup> 1976 Introduction to the 1992 edition of Max Weber, *Protestant Ethic* (1930), p.xi.

<sup>51</sup> Anthony Giddens, *Capitalism & Modern Special Theory: An Analysis of the Writings of Marx, Durkheim and Max Weber* (New York: Cambridge University Press, 1971), p.131.

<sup>52</sup> An all too brief discussion of Islam can be found in Max Weber, *The Sociology of Religion* (Boston: Beacon Press, 1922, 1993), p.262-266. These few pages provide a glimpse of what might have been an important and interesting work.

<sup>53</sup> Stephen Turner, editor, *The Cambridge Companion to Weber* (Cambridge, U.K.; Cambridge University Press, 2000), p.152.

<sup>54</sup> Max Weber, translated by Ephraim Fischhoff, *The Sociology of Religion* (Boston: Beacon Press, 1963, 1993), p.xx.

## Beyond Weber

To Max Weber's basic argument in *The Protestant Ethic*, i.e., that Protestantism has an affinity to capitalism; there are a series of additional extant factors not mentioned, or barely mentioned in the book that tend to support his basic conclusion. These factors, to be discussed in this study, include the struggle to eliminate laws against usury and interest, the doctrine of the priesthood of all believers, the Protestant promotion of mass literacy and education, the role of marriage and family, and the Calvinist inspired revolution in politics, i.e., the concept of the republic and the separation of powers,<sup>55</sup> as opposed to the Absolutist and Roman Catholic view of "the divine right of kings."<sup>56</sup>

With the foundation of a correct understanding of Weber's thesis, we ask our central question: If Protestantism and the Protestant Ethic lead to the development of modern capitalism does modern capitalism have a future in a postmodern global, secular, and multi-cultural world? To continue to enjoy the benefits and blessings of the capitalist system must we continue to be Protestants?

After one hundred years Max Weber and his thesis on the Protestant ethic is of continued interest and importance for at least four reasons:

First, paraphrasing the old Sara Lee commercial, "Nobody doesn't like Max Weber." Despite the fact the Max Weber died in 1920, in the mainstream academic community Weber is repeatedly debated, quoted, and referenced. In 1957 Weber critic Kurt Samuelsson complained, "a half a century since his theories first appeared in the *Archiv fur Socialwissenschaft*, Weber is still an author *a' la mode*." Since 1957, despite Samuelsson's best efforts to refute the Protestant ethic Max Weber's stature has grown.<sup>57</sup>

For example, a typical *Sociology 101* textbook currently in use at Dutchess Community College in Poughkeepsie, New York states, "With Emil Durkheim and Karl Marx, Max Weber is one of the most influential of all sociologists, and you will come across his writings and theories in coming chapters."<sup>58</sup> Like Adam Smith (1723-1790), J.B. Say (1767-1832), David Ricardo (1772-1823), or John Stuart Mill (1806-1873), in the field of economics, Max Weber is one of the classical founding giants in his field.

In addition to Stephen Kalberg's recent translation of Weber's *Protestant Ethic*, in 2000 Cambridge University Press published *The Cambridge Companion to Weber*. These are two concrete examples which indicate that Weber is still an important, relevant, and provocative thinker. To this day, Max Weber tends to be praised and critiqued on all sides.

In the past, Christians have tended to retreat into our own safe Evangelical ghetto. Christian scholars tend to read the great ones: i.e., James Orr (1844-1913); J. Gresham

---

<sup>55</sup> Based on real world anthropology, i.e., that fallen man is inherently evil, Calvinists tended to argue that powers needed to be separated, checked, and balanced.

<sup>56</sup> Typified by Louis XIV of France.

<sup>57</sup> Kurt Samuelsson, *Religion and Economic Action: A Critique of Max Weber* (New York: Harper Torchbooks, 1957, 1964), p.8.

<sup>58</sup> James M. Henslin, *Sociology: A Down to Earth Approach* (Boston: Allyn and Bacon, 2001), p.14.

Machen (1881-1937); C.S. Lewis (1898-1963); Carl F.H. Henry (1913-2003); and Francis A. Schaeffer (1912-1984), and then proceed to wonder why the mainstream academic world does not come around to our correct position.

If Christians are going to be salt and light in the world we must get into the game. Hence, following John Warwick Montgomery's concept of not compromising or joining them, i.e., the dominant Marxist, progressivist, feminist, womanist, and Secular Humanist academic establishment,<sup>59</sup> evangelicals must not separate and flee from them, but—with God's help—"beat them!"<sup>60</sup> Max Weber, unlike many of today's mainstream secular sociologists and economists, takes the role of religion—all religions—seriously.<sup>61</sup> As a result, knowing and understanding Max Weber provides an invaluable common reference point that helps communicate the Judeo-Christian worldview to secularly orientated students.

In addition, reading Weber is essential for seeing the importance of the Protestant Reformation, not only in reforming the Church, but also in transforming society and providing the spiritual, legal, and philosophical infrastructure that led to the creation of modern Western Civilization.<sup>62</sup> Without Martin Luther, John Calvin, and the later Puritan and Reformed thinkers, i.e., in Weber's words, "ascetic Protestantism" the United States, a constitutional republic with the world's most developed economy, would not exist.<sup>63</sup> Without the Protestant ethic the United States and the West would have developed along economic traditionalist<sup>64</sup> lines with a Roman Catholic Church

---

<sup>59</sup> David A. Noebel, *Understanding the Times: The Religious Worldviews of Our Day and the Search for Truth* (Eugene, Oregon: Harvest House Publishers, 1991), p.7-28.

<sup>60</sup> Taken from the inspiring Trinity Theological Seminary seminar lecture by Dr. John Warwick Montgomery, "Contemporary Apologetics: Defending the Biblical Gospel," Framingham, Massachusetts (November 16, 1999).

<sup>61</sup> For Max Weber religion forms a vital part of the frame of mind [*Gesinnung*], i.e., the network of beliefs and values that leads to the advancement or stagnation of Society. Kalberg, p.lxxviii.

<sup>62</sup> John W. Robbins, "*Civilization and the Protestant Reformation*," tract, Unicoi, Tennessee: The Trinity Foundation, 1994.

<sup>63</sup> John Eidsmoe, *Christianity and the Constitution: The Faith of Our Founding Fathers* (Grand Rapids: Baker Book House, 1987).

<sup>64</sup> For Weber, *economic traditionalism*, or the *traditionalist economic ethic*, is a frame of mind, or worldview, with respect to work. Work is viewed as a necessary evil applying to only one arena of life, no more important than other arenas such as leisure, family, and friends. The popular expression "work to live" applies here. Thus, when traditional needs are fulfilled, work ceases. This frame of mind stands in stark opposition to the development of modern capitalism and the Protestant ethic. Kalberg, p.lxxviii. Following the Protestant frame of mind of *economic rationalism*, the Puritan would "live to work."

supporting a hierarchically based status society resembling most of the less-developed world, e.g., southern Europe, South America,<sup>65</sup> and Central America.<sup>66</sup>

Second, in this book Max Weber's methodology of *Wertfreiheit*, i.e., value-free or "positive economics"<sup>67</sup> with the goal of *Verstehen*, i.e., interpretive or deep understanding will be emulated. Weber's methodology<sup>68</sup> is very similar to the methodology of Austrian Economics, i.e., self-evident deductive axioms of human action.<sup>69</sup>

Third, Weber was an eclectic genius who combined legal theory, sociology, economics, history, theology, comparative religion and philosophy. Weber was truly a remarkable interdisciplinary thinker and writer. Indeed, to this day, with in the disciplines of sociology, philosophy of religion, economics, and history it is difficult to avoid the influential interdisciplinary ideas and issues raised by Max Weber. To read and wrestle with Max Weber's ideas provides a lifetime of fruitful inquiry and discovery.

Fourth, scholars within the realm of Austrian Economics, i.e., The Ludwig von Mises Institute; The Foundation for Economic Education; the CATO Institute, The Acton Institute, etc.,<sup>70</sup> and Christian scholars have tended to neglect the work of Max Weber<sup>71</sup>

---

<sup>65</sup> For example, Matt Moffett, "Old Demons Sap Sign of Progress in Latin America: Economic Woes Across Region and Political Drift Weigh Heavily on U.S. Interests," *The Wall Street Journal*, July 25, 2002, vol. CCXL, no. 18, sec. A1, describes the continued dismal political and economic crisis in Latin American where, "authoritarian political systems and State-dominated economies" have led to continued political instability, poverty, and economic stagnation. This continuing political and economic crisis can be understood via Weber's one hundred year old concept of the Protestant ethic.

<sup>66</sup> In a recent book *On Two Wings: Humble Faith and Common Sense at the American Founding* (Encounter Books, 2003), the great lay Roman Catholic theologian Michael Novak correctly argues that Catholics and Jews should be grateful for the American constitutional republic and culture established by the Calvinist inspired Founding Fathers. Novak understands and appreciates the importance of Protestantism [i.e., Weber's argument] in establishing the pre-conditions of political and economic freedoms that made this nation prosper.

<sup>67</sup> *Wertfreiheit* helps explain why Max Weber continues to be useful and relevant. He typically describes sociological and economic conditions with a scientific detachment that is largely free of political and ideological bias. His detachment and objectivity is refreshing. The antithesis of positive economics is normative economics which argues "what *ought* to be."

<sup>68</sup> See Anthony Giddens, "Weber's Methodological Essays," *Capitalism & Modern Special Theory: An Analysis of the Writings of Marx, Durkheim and Max Weber* (New York: Cambridge University Press, 1971), p.133-144.

<sup>69</sup> See Lawrence H. White, *Methodology of the Austrian School*, Richard M. Eberling, ed., Occasional Paper Series, no.1 (New York: Center for Libertarian Studies, 1977).

<sup>70</sup> For example, the great Austrian Murray N. Rothbard (1926-1995) uses Thomism, rather than Calvinism and Protestantism, and he praises the late Spanish Scholastics for their progressive pre-capitalist economics writings, i.e., Murray N. Rothbard, *Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought* (Northampton, MA: Edward Elgar, 1995), p.97-133.

and correct economic theory in general.<sup>72</sup> This is unfortunate because Weber's thought is a potential keystone that has the prospect of connecting Evangelical Christian scholarship and theology to the secularly dominated disciplines of history, economics, and sociology.

These questions will also be explored in two areas; first, on the domestic front, and second in the international arena.

On the domestic front, the current wave of white-collar Wall Street scandals involving Enron, WorldCom, Tyco, ImClone, Arthur Anderson, Martha Stewart, etc., are indications that the capitalist system itself is caught up in a profound ethical crisis. Without self-discipline, moral restraint, and a high level of faith and trust built on a moral and ethical infrastructure provided by the Protestant ethic, capitalism's very future is at stake.<sup>73</sup> This book will argue that the present crisis on Wall Street is not caused by greed, speculation, corruption, or a lack of political oversight. The present crisis is the fruit of the postmodernist<sup>74</sup> abandonment of the Protestant ethic,<sup>75</sup> an ethic, as Weber argues, that created and provided the very legal system, social infrastructure, and culture that built and sustained the modern capitalist economy.

Protestantism's unique "this-worldly asceticism"<sup>76</sup> and self-discipline are essential for the survival of the capitalist system. Hence, in contrast to the Protestant ethic, postmodernism, secular humanism, and related godless worldviews,<sup>77</sup> are ethical systems built on sand. Thus, we should not be shocked that the foundation is crumbling!

In a second section the Protestant ethic will be applied to the question of poverty and international development. In 1911, fueled by the question, "why had rational capitalism not emerged in China, India, Japan, and elsewhere, but only in the West,<sup>78</sup>" Max Weber embarked on a series of classic comparative religion studies. With this project Weber sought to prove *The Protestant Ethic* in reverse. Thus, Max Weber's one hundred year old thesis not only helps explain the origins of Western capitalism, but also the perpetual problem of the poverty of the developing world.

---

<sup>71</sup> Max Weber is a potential potent intellectual ally in the present culture war.

<sup>72</sup> Stark examples would include the Roman Catholic American Bishop's letters on economic issues; the social statements on various economic issues from the Evangelical Lutheran Church in American; and the series of unsound economics articles that appear periodically in *Christianity Today* magazine.

<sup>73</sup> See George Gilder, *The Spirit of Enterprise* (New York: Simon & Schuster, 1984).

<sup>74</sup> Gene Edward Veith, Jr., *Postmodern Times: A Christian Guide to Contemporary Thought and Culture* (Wheaton, IL: Crossways Books, 1994).

<sup>75</sup> Timothy R. Phillips and Dennis L. Okholm, editors, *Christian Apologetics in the Post-Modern World* (Downers Grove, IL: InterVarsity Press, 1995), p.10-23.

<sup>76</sup> Kalberg, lxxx.

<sup>77</sup> David A. Noebel, p.796-842.

<sup>78</sup> Swedberg, p.133.

In a recent syndicated newspaper column Chuck Colson wrote,

It is not a coincidence that the period that witnessed Islam's decline and Christianity's ascent began with the Reformation. The Reformation ideal of the Church as always being reformed was a bulwark against the kind of cultural stagnation that has plagued the Islamic world... The reforming mindset not only affected Christianity, but it also created the foundation for the modern world. The dynamism and freedom that characterizes the West is the product of Christianity's reforming itself and moving forward culturally.

As historian Samuel Huntington has noted,

Western Christianity shaped the basic institutions in most of the world's truly democratic societies.... By contrast, when Muslims speak of 'reform,' they mean moving back culturally to the legal and social arrangements of Mohammad's day (c. A.D.570-632)... While it's important to understand the historical reasons for the decline that outrages the bin Ladens of the world, there is an even more important lesson for Christians. The ascendancy of the West is the story of the difference that Christianity makes, and it is a story we can not let our culture forget.<sup>79</sup>

Peruvian Economist Hernando de Soto, in his recent book *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* states, "Bill Gates is the world's most successful and wealthiest entrepreneur."<sup>80</sup> De Soto asks, "Apart from his personal genius, how much of his success is due to his cultural background and his 'Protestant ethic'?"<sup>81</sup>

"I do not think," argues de Soto, "Bill Gates or any entrepreneur in the West could be successful without private property rights systems based on a strong, well integrated social contract."<sup>82</sup> The American system with patent protection, limited liability corporations, stock options, and inheritance laws enabled Bill Gates to build Microsoft, and in the process make billions for himself and millions for his partners. For de Soto, the key to moving Latin America and the developing world out of economic stagnation, political oppression, and mass poverty would be capitalism. For de Soto, this capitalism does not have to be based on "certain cultural [including religious] traits,"<sup>83</sup> limited to Northern Europeans or Americans, but on the establishment of a predictable non-capricious legal system that protects private property rights and enforces contracts.

---

<sup>79</sup> From *THE FEDERALIST BRIEF: The Conservative e-Journal of Record*, July 29, 2002, Federalist No. 02-31, [www.Federalist.com](http://www.Federalist.com).

<sup>80</sup> Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000), p.224.

<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> Ibid.