

## Was Western Capitalism a Product of an Error in Reasoning? The Weber Thesis and Newcomb's Problem\*

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### Abstract

This article demonstrates how Weber's ideal typical Calvinist in choosing between the 'worldly ascetic' and the usual opportunistic way of life confronts Newcomb's problem. Weber's presentation of the Calvinist predicament exemplifies a distinct case of Newcomb's problem with an infallible predictor, but with asymmetry in the auspiciousness of agent's choices. Because of this asymmetry, Weber's presentation is free from the charge of incoherence, to which Newcomb's problem with an infallible predictor is exposed. Weber's qualification of the Calvinist's choice as 'non-logical' reveals the causalism of his preanalytic intuitions about rational choice. His view implies that one of the contributing causes in the emergence of Western capitalism was the conflation between diagnostic and causal relevance of actions. Re-consideration of the Calvinist's predicament in the framework of Robert Nozick's decision value theory provides promising framework for the elaboration of Weberian problematics of 'rationalization', of social action and 'disenchantment' of the world, and shows how the rationality of Calvinist's choice can be vindicated.

Keywords: Max Weber, Protestant Ethic Thesis, Newcomb's Problem, Decision Value Theory, Robert Nozick.

### 1. Introduction

The Weber thesis asserts a causal connection between the religious ethic of ascetic Protestantism and the 'spirit of capitalism' (i.e., a specific economic ethic which can be internalized). The secondary literature concerning Weber's thesis is enormous. This literature is mainly about the empirical validity of Weber's thesis.<sup>1</sup> However, Weber's argument also

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1. See the following collections which include the most important documents from the different periods of this ongoing discussion: Weber (2001 [1907-1910]), Green (1959), Besnard (1970), Seyfarth and Sprondel (1973), Lehmann and Roth (1993).

contains an interesting decision theoretical problem. This problem can only be identified and analyzed adequately by making use of the results derived from recent analytical work on Newcomb's problem in rational choice theory (RCT). The thesis of this article is that Weber's thesis describes the behaviour of agents entangled in Newcomb's problem. Reading Weber's argument against the background of the recent work on Newcomb's problem allows the rational reconstruction of the core part of the Weber thesis by means of the formal model.

Curiously, the crucial link in Weber's thesis—his description of the impact of the belief in predestination dogma on the behaviour of the Calvinist believers—has not yet been analyzed in the sociological literature on Weber's thesis in the decision theoretical terms. This has not been done even by those sociologists who associate themselves with the rational choice approach and consider Weber's thesis as a paradigm of 'individualistic explanation' including the analysis of the logic of situation, that of selection, and that of transformation of the consequences of individual choices into collective outcomes as its integral parts (see, e.g., Boudon 1994: 145-50, 192-94; Coleman 1990: 1-23; Esser 1996 [1993]: 3-8; Swedberg 1996).<sup>2</sup> None of them discuss the question of what theory of individual behaviour Weber applies in his analysis of the behaviour of the Calvinist believers. Is their behaviour explained by rational choice?

In the decision theoretical literature about Newcomb's problem, there are passing references to 'Weber's Calvinist' or to Calvinist predestination dogma in general (e.g., Elster 1989: 25), but no explicit reconstruction or detailed discussion. This neglect of Weber's work by decision theorists can probably be explained by their assumption that 'Weber's Calvinist' is simply a case of Newcomb's problem with an infallible predictor (see below, section 4), which can be analyzed and discussed in purely logical and deductive terms without going into the particularities of Weber's presentation.

However, close reading of Weber's texts allows us to identify the distinct case of Newcomb's problem with predictor infallibility, which to my knowledge has escaped the attention of decision theorists. This is the case of Newcomb's problem with the predictor's infallibility, but without symmetry in the agent's evidence about the predictor's decisions which are favourable or unfavourable to the agent. The available decision

2. Gudmund Hernes comes most closely to such reconstruction (Hernes 1989). However, he is more interested in the overall logical structure of Weber's argument, in which the analysis of 'Calvinist's predicament' is only a part. Although my reconstruction of the Calvinist's 'logic of situation' owes some points to Hernes' analysis, there is no mention of Newcomb's problem in his article which remains the best contribution to the analysis of the logical structure of Weber's thesis.