

## THE PROTESTANT WORK ETHIC AND CONSPICUOUS CONSUMPTION

**Prestige** is a positive or favorable attribute granted by others to an individual. Those with prestige is given deference, honor, respect and/or good repute. Prestige can be acquired by the appearance of conformity, achievement, or good fortune. Two theories will be discussed which can provide an understanding of how prestige operates.

### *The Protestant Ethic and the Spirit of Capitalism*

The "Protestant Work Ethic" theory was developed by Max Weber (1905). This theory was originally used to explain the growth of capitalism, in addition to why a "work ethic" is desirable. Weber maintained that Protestants at the time thought that certain individuals were "elected" to have grace, to be saved. No one could change that condition. However, congregants wanted to know who was saved. It was thought that those who economically prospered were those elected. Hard work, wise investing and wise spending were attributes of this ethic. By extension, those who were poor or lazy were thought to be damned or immoral. No one wanted to have the appearance of immorality so there was pressure to exhibit this work ethic. Eventually, the religious reasoning was forgotten about, however the work ethic remained. Those who exhibit a work ethic gain prestige, and subsequently more accommodation by their peers.

An example of this is a car owner who buys very cheap wheels, exhibiting frugal behavior. Wise spending, in this case, is buying the

### *Theory of the Leisure Class*

The theory of "Conspicuous Consumption" was developed by Thorstein Veblen (1899). This theory may explain those who display unnecessary and expensive possessions, such as jewelry, designer clothing, or even trophy wives. Conspicuous leisure works the same way. What may appear as foolish behavior is actually rational. The appearance of wealth can impress others. The more useless the displayed possession is, the more prestige is granted as others think the individual has lots of money.

An example of this is a car owner who buys very expensive wheels, exhibiting excessive spending which does not increase the utility of the car.

Which theory works best may depend on the context and the criteria in which "others" use to grant prestige.

Weber, M. (1905). *The Protestant Ethic and the Spirit of Capitalism*.

Veblen, T. (1899). *The Theory of the Leisure Class: An Economic Study of Institutions*. NY: Macmillan.