

**THE TRANSFORMATION OF WORK ETHICS IN AUSTRIA:  
THE IMITATION OF PROTESTANT INSTITUTIONS BY A CATHOLIC COUNTRY**

**Abstract**

This paper covers the period of around 1750 to 1800 in the Austrian empire, the time of the great transformation of the work ethics. When empress Maria Theresia took over the throne, the empire was in a disastrous economic condition. In her policy, she relied on the analysis and policy advice, as developed by the new professors in the emerging field of economics. These professors (*Justi* and later *Sonnenfels*) compared empirically those countries which were economically leading (England, Holland, northern Germany, Switzerland) with those doing badly (Austria, southern Germany, Italy, Spain) in search for an underlying explanatory pattern. They concluded that religion (Protestantism versus Catholicism) played a crucial role for economic performance. Their treatment shows a lucid discussion of the role of religion for economic progress. The policy question asked was the following: "What can we do to hinder the people, after having worked for their daily bread, to run to the churches with their rosaries, instead of working for tomorrow?" Austria, being the Holy Roman Empire could not change its religion, but it could deliberately import protestant institutions (work houses, children's labor, mandatory public schools). These means were proposed and also implemented. In its institutional reform, Austria followed to a considerable extent a policy of imitating protestant institutions; and quite "successfully" so.

**I. Overview and structure of the paper**

- a. This paper discusses the analysis and political advice by leading Austrian economists during the second half of the 18<sup>th</sup> century regarding the role of religion for economic welfare. This economic literature was highly influential for the subsequent institutional reform that grossly contributed to the profound transformation of the work ethics of the labor force in Austria.
- b. The commencement of this transformation can be roughly set at the beginning of empress Mary Therese's reign (1740); this development was pursued during the reign of Mary Therese's successor Joseph II (1780–1790) and finds its end with respect to some aspects around the turn of the 18<sup>th</sup> century, with respect to other issues towards mid 19<sup>th</sup> century. During that period the work ethics of the Austrian population changed, in the mirror of contemporary descriptions, from a "sleepy population" to a relatively diligent and swift one.
- c. The basic theme of this paper is the scientific discussion and policy advice underlying the political program "from above" that was designed to generate this change. This policy was based on specific advice by leading Austrian economists who advocated state intervention regarding (i) a change of those (labor ethics related) institutions in which the "catholic spirit" had materialized and (ii) an implementation of new institutions, developed in protestant countries by a "protestant spirit", from which they expected an impetus for a

change of the work ethics. This advice was based on the finding that “experience would teach that all countries had gained power when adopting Protestantism”<sup>1</sup>.

d. This article is structured as follows:

Section II provides a general discussion of the role of Protestantism for work ethics, Section III sketches out the political background of the pertinent literature, Section IV presents the methodology underlying the analysis and policy advice, and Sections V and VI discuss the concrete recommendations suggested by the economic literature of the 18<sup>th</sup> century; the paper ends with a summary (VII).

## II. Work ethics and Protestantism

### 1. The intellectual background of the 18<sup>th</sup> century

- a. The discussion regarding both the impact of religion on the performance of an economy in general and the concrete empirical comparison of Protestantism and Catholicism, as found in the pertinent literature of the 18<sup>th</sup> century, was a lucid one. This paper primarily draws on the writings of the two most influential professors in economics<sup>2</sup> and law of that time (*Justi* and *Sonnenfels*, see IV infra). Their analysis, however, did not fall from heaven, but was embedded both in a certain intellectual tradition and the concrete background of the then contemporary political writings. Further, *Justi* and *Sonnenfels*, albeit leading professors of their time in Austria, have by far not been the only scholars or practical writers who have dealt with the subject. In fact, there have been very many books and pamphlets on that subject by economists, political philosophers, lawyers and other, more journalistic writers.
- b. As regards the intellectual background, predecessors can be found among the so called “early Austrian cameralists”, namely in particular *Hörnigk* (1684) and *Becher* (1688). Already in their writings, they describe the Netherlands as a shining example of economic development, and complain about Austrian work ethics. In his 1684 book *Hörnigk* (p 140) asked the question: *But how can be accustomed to work the population which is only used to a lazy life?* (“*wie sind aber die Inländer zur Arbeit zu gewöhnen, die nur gewohnt sind, im Luder zu liegen?*”). While mentioning the difference in religion, there is no systematic treatment of the relation between religion and economic performance.
- c. With respect to the general contemporary background of the second half of the 18<sup>th</sup> century, political science and neighboring disciplines have been grossly influenced by *Montesquieu*’s “*L’esprit des lois*” (“The spirit of the laws”)<sup>3</sup>. In this quite ingenious book, *Montesquieu* discusses differences in various societies in the light of the pertinent physical, natural and institutional constraints. Among the relevant institutional constraints, also “internal constraints”, namely belief systems (= religions), are considered<sup>4</sup>. Further, the Austrian writers were well aware of most of the contemporary (especially German, French and English) literature.

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<sup>1</sup> The issues covered in this contribution are dealt with extensively in *Lewis* (1988) and *Lewis* (1988/89).

<sup>2</sup> Economics was not a discipline of its own, but part of the cameralistic sciences (in current terminology rather political theory).

<sup>3</sup> *Sonnenfels* himself praises the influence of this book (“this piece which sheds light over nations and glory over our century”, “das Werk, welches Licht über Nationen und Ruhm über unser Jahrhundert verbreitet”, in a letter, “An Herrn Joseph von Retzer, 111) despite the „official suppression“ of *Montesquieu*’s oeuvre.

<sup>4</sup> *Montesquieu* emphasizes that he studies religions only with respect to the value that civil society derives therefrom.

- d. Whereas the analysis of religion in its impact on the economic performance in the writings of *Justi* and *Sonnenfels* is, for the reasons given, not “original” in the sense of developing an entirely new field, the innovative aspect lies both in the scope of analysis, the systematizing approach underlying it and the concrete policy applications derived therefrom.

## 2. The economic analysis of religion in the 18<sup>th</sup> century and Max Weber.

- a. This paper focuses primarily on the change of the work ethics of the “common work force”, not on the emergence of a “capitalist” entrepreneurial spirit.
- b. The contemporary writings of the 18<sup>th</sup> century on the impact of religion on economic performance did take account of “asceticism” as an essential ingredient of Calvinism and also acknowledged the role of this “ascetic Protestantism” for the social and economic pattern, as observed in these countries. Still, in the 18<sup>th</sup> century literature, there is no systematic linkage of the “predestination belief” to savings and reinvestment, as suggested by Max Weber<sup>5</sup>. Irrespective of the lack of a theory on this crucial linkage, the contemporary writings were rich in descriptions of ascetic austerity and, in some areas, even show a remarkable resemblance to some of Max Weber’s considerations<sup>6</sup>. In the overall, however, the pertinent economic literature (*Justi/Sonnenfels*) had difficulties in properly interpreting the phenomenon of protestant austerity in its relation to welfare: The reason for these difficulties stem from the fact that the said literature generally advocated consumption (and also an elimination of traditional prohibitions of “luxury”) as something desirable for a blooming economy: intense consumption would fuel the economy “with demand” and would also provide a further incentive for diligence and industriousness for laborers as a true enjoyment of the fruits of one’s efforts.
- c. There are two main differences between the focus of this paper to Max Weber’s theory about the economic impact of Protestantism: First, Max Weber’s thesis focused on a different phenomenon, namely the origin of the entrepreneurial capitalist spirit, as derived from the ascetic protestant belief system, not on the work ethics of laborers. Therefore, Max Weber investigated a different period and a different geographical area; he was not even aware of the here discussed literature. Also, Max Weber considered primarily Calvinism and ascetic protestant sects, not Lutheranism. The pertinent 18<sup>th</sup> century economic literature was also interested in Lutheranism, in particular for its impact on industriousness and diligence by means of education. Second, Max Weber’s contribution consists in essence in theorizing about the historical facts. In this respect, theory may draw a correct or incorrect interpretation of the past. This paper is different in so far as it relies on an “historical interpretation of two centuries ago” by the historical decision makers that was the basis of the subsequent policy applied. These historical sources show that the political choices regarding the reform of the relevant institutions have been made on the basis of pertinent economic advice, and that this advice was based on the “empirical finding” of an economic superiority of Protestantism over Catholicism. Therefore, even if the underlying relationship between religion and economic performance should have been wrong, the historical case still holds, namely that the change of the Austrian work ethics was performed on the assumption of such a theory to be true.

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<sup>5</sup> For details, see *Lewis* (1988) pp 24-36

<sup>6</sup> A nice illustration is the anonymously published booklet (1776) on “Jansenismus – Ein Schreckbild für Kinder?” (“Jansenism – a horrible sight for children?”) in which the impact of predetermination on the personality (is it true that “no God can help, because Jesus died only for the chosen ones?”) and on the incentives to work (does it make sense to work, if everything is predetermined) are discussed.

### III. The reasons for attempts towards a transformation of the Austrian work ethics

- a. At the beginning of Mary Therese's reign (1740), Austria's economic situation was disastrous. Already in the early 18<sup>th</sup> century, the economy was doing badly and the so called "Austrian inheritance war" with Prussia led to a further exhaustion of the economy, and of resources and to the loss of most of Silesia (Schlesien). The historical situation is well described in Mary Therese's own „political last will“ (“Maria Theresias politisches Testament”): *„Not more than a few thousand guildens have been in the counters, credit in the country and abroad down ... not easily an example is found in the course of history, in which a crowned head has commenced reign under more difficult circumstances”* (“Nicht mehr als etliche tausend Gulden waren allhier in den Kassen, der in- und ausländische Kredit fast völlig am Boden ... Nicht leichtlich ist ein Beispiel in der Geschichte zu finden, dass ein gekröntes Haupt unter schwereren und misslicheren Umständen seine Regierung angetreten habe“).
- b. Around 1750 it was generally held that Austria would require substantial reform to improve its economic performance. With respect to the potential achievable, it was commonly believed though that Austria was a country rich in possibilities, which could be turned into a blooming country by appropriate economic policy.

### IV. Analysis and policy advice

#### 1. Need for an institutional reform

In the second half of the 18<sup>th</sup> Century, the conviction grew that a change in the economic performance would require a change in the relevant institutions. In line with the general approach of enlightenment of this period, the responsibility for this institutional reform was thought to rest upon the government (“reform by state fiat”).

#### 2. Economics as the source of advice

- a. But where should the advice come from? The advice came from the new emerging field of economics. The two most influential Austrian professors were *Johann Heinrich Gottlob von Justi* (1717- 1771) and later on *Joseph von Sonnenfels*. *Justi* received the professorship in the year 1750 in Vienna as a professor of “German language, rhetorics and writing” at the “Theresianum” (a newly founded academy for reeducation of the Austrian nobility). His inaugural lecture was devoted to “The connection between the flowering of the sciences and the means which make a state powerful and happy”<sup>7</sup>. *Justi* has also written a textbook that was used also after his early leave from Vienna. *Justi* was a very productive writer (about 60 books) and had a strong influence on the self understanding of economic politics in the second half of the 18<sup>th</sup> century. The same holds true for *Joseph von Sonnenfels* (1733-1817), law professor at Vienna University for political science, adviser to the empress, drafter of many pieces of legislation and politician. He also wrote a textbook for the law school which was used as the “official” textbook until the 30ies and 40ies of the 19<sup>th</sup> century.
- b. The analysis, *Justi* and *Sonnenfels* applied, was straightforward. The new “rational” approach required a scientific method: They looked for those countries that were economically in a lead in Europe, and for those that were behind. They, then, asked what

<sup>7</sup> For biographical details on *Justi* in English, see for example *Erik Reinert*, Johann Heinrich Gottlob von Justi: The life and times of an economist adventurer, [www.awcanon.org](http://www.awcanon.org).

these countries had in common, and whether this “common ground” could explain for the difference.

### 3. Analysis

- a. Applying this approach, *Justi* and *Sonnenfels* came up with the explanation that those countries in the lead were protestant countries and those countries far behind were catholic.
- b. *Justi* argues that those countries whose economy suffers and where lazyness and a lack of enjoyment of one’s work prevail are the catholic ones (1761, p 687).

He characterizes catholic Austria as follows (1761, p 687): „*The population lacks any desire and ability to prevail by skills, diligence, and industriousness. Everything remains in a certain tiredness and lazyness. One is content with the ways of nourishment and working once introduced, however bad these may be*” (“*Es fehlet dem Volke an derjenigen Begierde und Fähigkeit, sich durch Geschicklichkeit, Fleiß und Arbeitsamkeit untereinander hervorzutun. Alles befindet sich in einer gewissen Schläfrigkeit und Trägheit. Man begnüget sich mit den, durch die Gewohnheit einmal eingeführten Nahrungs- und Bearbeitungsarten, so schlecht dieselben auch beschaffen sein mögen.*“)

A summary of that position can be found in an anonymously published booklet of the year 1787 (“Ein Hundert Preisfragen” “One Hundred Questions of Prize”): The author asks for the means by which one could “*hinder the population, warped by the monks’ religion prefers to run, as soon as it has the bread for today, with a rosary in the hand towards the church than to work for tomorrow?*” („... mit welchen Mitteln man verhindern könnte, dass die Bevölkerung verbildet “*durch Mönchsreligion, sobald sie Brot für heute hat, lieber mit dem Rosenkranz in der Hand nach der Kirche läuft, als für morgen arbeitet?*“”, p 49)

According to *Justi* “*experience seems to show*” (“*die Erfahrung scheint zu bestätigen*”) that in catholic countries factories do not flourish; he adds that among the diligent and industrious artisans, one would hardly find a catholic (1761, p 696). *Sonnenfels* observes that “*all provinces of Germany that have taken over Protestantism, are centuries ahead*” (“*alle Provinzen Deutschlands, wo die Reformation aufgenommen wurde, haben Jahrhunderte voraus*” (1783-87, VIII, p 108). In his book “On the population” (Über die Bevölkerung), *Sonnenfels* emphasized that those countries, whose citizens were, in particular because of the economic success, happy, would not need prohibitions to emigration; and these were the protestant countries, Switzerland, England and the Netherlands.

- c. The main finding of the assessment of the economic performance of European countries of that time was the following: “*Experience teaches that all countries that have adopted Protestantism have gained in power*” (“*Die Erfahrung lehret, dass alle Staaten, welche die protestantische Religion ergriffen haben, dadurch zusehends mächtiger geworden sind*”, *Justi* 1761, p 207).”

### 4. Recommendations

- a. The pertinent literature recommended a reform of the relevant institutions that would generate a change in the work ethics. Their analysis and advice have been twofold:
- b. On the one hand, they identified “catholic institutions” that would negatively influence work ethics. Since these institutions were thought to hinder and suppress natural human inclinations towards work, the reform could be confined to their elimination or at least

reduction; the economy could then develop freely and would prosper<sup>8</sup>. Still, also in this respect the protestant countries served as the showcase of institutional comparison. On the other hand, the mentioned literature identified specific institutions abroad that had emerged in the protestant countries and proven effective in influencing the formation of modern work ethics. In this respect, the advice was a more delicate one. In the 18<sup>th</sup> century, the Austrian empire was the “Holy Roman Empire of German Nation”, hence a genuinely catholic country. Therefore any advice to “change” the country’s religion towards Protestantism was not a realistic option. The advice, therefore, went in the direction to advocate an import of these institutions, wherein the protestant spirit had materialized, to Austria, i.e. to copy the institutions, which Protestantism had brought about, not Protestantism itself.

- c. Saying that Austria’s state religion was Catholicism begs the question of why the aforementioned economic ideas could prosper at all and could find their way to politics and, ultimately, the empress. The reasons were manifold.

First, the economic situation was so bad that reasonable and well founded advice, based on new theory and empirical observations, was needed and accepted. Second, Franz Stephan von Lothringen (Francis Steven), Mary Therese’s husband, came from Lothringen (now France) and was well informed about the recent economic developments there. He also was himself a founder of many factories in Austria and contributed to a factory finding spirit among the Austrian aristocracy, in particular in Bohemia. Third, the political elite of this time was, by origin, mostly not catholic. It consisted of convertists, among those primarily jews and protestants. *Justi* himself converted to Catholicism from Protestantism when he took the chair in Vienna in 1750. *Sonnenfels* was the son of a converted jew and freemason. Many others of empress Mary Therese’s advisers were convertists; genuinely catholic influence was weak.

## 5. Results of the new policy

The recommendations described above have been implemented in Austria. A detailed account is beyond the scope of this paper. It may suffice here to rely on backward looking descriptions of the transformation process from the end of the relevant period. In his 1782 book *Weinbrenner* names the year 1752 the end of a long sleeping period, from which Austria was waken up “*quasi by force*” (p 30). He compares work ethics then and at the end of the 18<sup>th</sup> century in the following words (p 71): “*What a difference between a people, which lives along quasi in a certain slumber, not used to see anything different and to do anything different than what its fathers have seen and done, not enticed to a happier life – and to the people, which woken up, looks around, imitates, refines, attempts, invents...*” (“*Welcher Unterschied zwischen einem Volke, das noch gleichsam in einem gewissen Schlummer dahin lebt, nicht gewohnt etwas anderes zu sehen, etwas anderes zu tun, als was seine Väter sahen und taten, nicht gereizt zu einem glücklicheren Leben – und zwischen einem Volk, das einmal aufgeweckt, um sich her sieht, nachahmt, raffiniert, versucht, erfindet...*”). In 1843 *Knolz* (p 21) summarizes in a book on cotton factories that, whereas early entrepreneurs had to fight severe battles with the lazyness of the working class, the establishment of new manufactures has become much easier, “*because the population was more used to diligence and activity by the early occupation of the youth in spinning mills*” (“*...weil sich bereits mehr Gewohnheit des Arbeitsfleißes und mehr*

<sup>8</sup>In this respect, there is also a lot of writing (by *Justi*, *Sonnenfels* and others) on the role of religious tolerance and religious liberties as a means to stimulate the economy.

*Tätigkeit ... durch frühzeitige Beschäftigung der Jugend in den Spinnereien unter der einheimischen Bevölkerung verbreitet hat*”).

## V. Advice on the reform/elimination of catholic institutions

- a. Insofar as the economic policy advice was directed *against* “catholic institutions”, the focus of this critique concerned the “classical targets” of enlightenment<sup>9</sup>. A good summary of this approach can be found in the anonymously published 1782 booklet: “*Why is or was until now welfare in protestant countries by far higher than in catholic ones?*” („*Warum ist, oder war bisher der Wohlstand der Protestantischen Staaten so gar viel größer als der Katholischen?*”).

The first target have been monasteries and the clergy: The large number of monks and nuns were claimed to be detrimental for the increase in the population. The real estate owned by the monasteries was considered to be economically barren, namely places where values are only piled, not produced. Monasteries and clergy were also criticized as sources of constant subsidy to beggars and idles. The 18<sup>th</sup> century literature relied on the mentioned points of critique also as a general explanatory framework for the inferiority of the economic performance in catholic countries: “*That is why one will find in all catholic countries, with the exception of France, less commerce, manufacturers and diligence/industry*” (“*Daher wird man auch in allen katholischen Staaten, wenn man Frankreich ausnimmt, weniger Commerciën, Manufakturen und Arbeitssamkeit finden*”, *Justi* 1761, p 394).

Second, the pertinent literature contained a sharp critique of the church subsidies to “the needy”, namely all kind of beggars. This critique was centered around an understanding of alms as “not being a charity”.

Third, substantial criticism was directed against the penetration of everyday work life by prayers, masses, holidays and pilgrimages which, according to the critics, reduced working time and encouraged a lazy life.

Forth, the economics literature criticized the influence of Catholicism on the education of the population, hampering enlightenment, an esteem for work and the spread of skills. *Justi* argued that the faible pursuit of manufactories in the various German catholic states was, to a considerable extent, the result of the population’s dumbness and ignorance, in which it had been kept by the catholic clergy (*Justi*, 1780, p 34).

- b. The aforementioned critique is not only directed against catholic institutions as such, but developed in comparison with the status of economic welfare in the protestant countries. The protestant countries served as the frame of reference, where one could demonstrate the likely outcome of the pertinent institutional change (see, for example, the above mentioned anonymous booklet).

The perhaps most lucid treatment of this critique can be found in a journal article, written as the fictitious speech of an English parliamentarian: “*Parlamentsrede Mylords \*\* Über die Aufhebung des Jesuitenordens*” (“*Parliamentary speech by mylord \*\* Regarding the abolition of the order of the Jesuits*”). The author of this anonymously published paper was *Sonnenfels* himself<sup>10</sup>. In this speech, the anonymous mylord analyzes the abolition’s economic consequences for England, seen from an English perspective. The speech argues that the abolition of the order of the Jesuits (and of the other orders which are expected to

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<sup>9</sup> Since they are not the main focus of this paper, the respective section will be short.

<sup>10</sup> The speech appeared first in the journal “*Deutsches Musäum*” in April 1782, and is contained in *Sonnenfels’* collected work edition.

follow) must necessarily lead to economic consequences because of the close connection of religion and state in former times, an interweaving that had hampered economic welfare quasi from inside.

The speech reasons as follows: France, Spain, Italy and the largest part of Germany have even been competing among each other to have the highest number of monks, for which *Sonnenfels* uses, in a footnote, the term ‘*lazy rogues*’ (p 341). The abolition will ‘*bring about greater diligence and skills in manufactures and businesses*’ (“... *dass diese Aufhebung ... größere Emsigkeit und Geschicklichkeit in Manufakturen und Gewerbe ... nach sich ziehen werde*”, p 329) in catholic countries so that “*they will reach that stage, which some protestant countries have accomplished, because the natural abilities of their population have not been lost by devotional exercises and brainless scholastics*” (“... *sich jeder katholische Staat durch Wissenschaften und Künste darin erheben würde, wo einige Staaten der Protestanten nur darum sich geschwungen, weil die natürlichen Fähigkeiten ihrer Bewohner nicht ... bei kleinfügigen sogenannten Andachtsübungen und hirtrockender Scholasterie verloren gingen*“, p 330). The speech argues that “*mother nature has evenly dissipated abilities, insight, decency and diligence among all the nations; but not all nations know to make use of these gifts in the same manner. The form of religion, government, education and law suffocate the first sprout or slows down its growth*” (“... *die gemeinschaftliche Mutter ... verteilt Fähigkeit, Einsicht, Herzhaftigkeit, Emsigkeit mit gleichem Maße unter alle Nationen: aber nicht alle Nationen wissen diese Gaben gleich zu nützen. Für die Gestalter der Religion, der Regierung, die Erziehung, die Gesetze ersticken bei einigen den ersten Keim ... oder sie hemmen doch sein Wachstum*”, p 340); “... *it is here where the advantage has been of our country vis-a-vis the countries of the House of Bourbon and against all catholic countries; an advantage, we are now running the risk of losing*” (“*darin liegt ... der Vorzug ... gegen die Staaten des Houses Bourbon, gegen die katholischen Staaten sämtlich; den wir aber nun in Gefahr stehen, bald zu verlieren*“, p 340). The abolition is said to initiate an important development, in the course of which the catholic countries will break the economic dominance of the protestant countries and will take them over. By now England sees “*the thick mist scattered in the catholic countries, by which they have been darkened so far. ... One sees them becoming blooming, powerful and to gain advantage over the protestant powers and to overturn the edifice of the general equilibrium*” (“*Ich sehe in den katholischen Staaten den dichten Nebel zerstioben, mit welchem sie bis anher umzogen waren. Ich sehe ... sie dadurch blühen, mächtig, die Oberhand über die protestantischen Mächte gewinnen, und das Gebäude des allgemeinen Gleichgewichts ... umstürzen*“, p 336).

- c. As is well known, many pieces of reform along the lines sketched out above have been implemented in Austria in the second half of the 18<sup>th</sup> century, among those not only the abolition of the Jesuits, but of all so called “contemplative” orders, a reduction in daily masses and holidays and measures against begging. As is also well known, a good part of these measures, in particular those implemented by Joseph II, had to be repealed later on, and did not change the “churchy” character of the Austrian population.

## **VI. Advice on the imitation of protestant institutions**

The bottom line of the economic policy advice was basically threefold: to introduce and develop (i) children’s labor, (ii) work houses, and (iii) a public school system.

### 1. Children’s labor

- a. In the 18<sup>th</sup> century children’s labor was general not a new phenomenon; it was around for many centuries. Still, the second half of the 18<sup>th</sup> century witnessed quite a dramatic

change of children's labor both in its quantitative and qualitative dimension. First, the new measures aimed at a full integration of all children, boys and girls, from early age on to useful work, in particular in the newly developing manufactories. Second, the policy on children's labor did not only consist in extending the (heavily criticized) traditional work habits of adults to the young ones, but in radically transforming the entire population's work ethics in general, with a special emphasis on the youth.

- b. *Justi* argues that with “*the exception of England and the Netherlands, most parents allow their children to grow up in full lazyness*”; irrespective of the fact that there “*existed hundreds of works, for whose exercise children are able after the fifth or sixth year; by this one would make work quasi to their nature since they would never know about lazyness*” (“*Wenn man Holland und England ausnimmt, so lassen die meisten Eltern in allen Ländern ... ihre Kinder in vollem Müßiggang erwachsen; da es doch hunderterlei Arbeiten gibt, wozu Kinder, von dem fünften und sechsten Jahr an, fähig sind; und wodurch man die Arbeit gleichsam zu ihrer Natur machen würde; indem sie den Müßiggang niemals kennen lernten*”, *Justi*, 1761, p 117).

*Justi* observes that in countries with a blooming economy one may recognize that “*children are forced to work beginning with their fourth or fifth year*” („*dass die Kinder von dem vierten und fünften Jahr an zur Arbeit angehalten werden*”, *Justi*, 1759, p 316)

“*One should force children, from their early childhood on, more to industriousness and to make them work something they are used to and they like; as in all countries, where the economy blooms, as for example in England and the Netherlands the children are forced to work very early*” (“*Man sollte ... überhaupt aber alle Kinder, von ihrer Kindheit an, mehr zu Arbeitsamkeit anhalten und ihnen die Arbeit gewohnt und beliebt machen; wie denn in allen Staaten, wo der Nahrungsstand blühet, zB in England und Holland, die Kinder sehr zeitig zur Arbeit angehalten werden*”, *Justi*, 1761, p 697).

*Justi's* analysis was clear: In the economically leading countries, England and the Netherlands, children's labor was abundant and no idle children found. In Germany and Austria, people would let their children grow up in lazyness, to which they get used from early on; children would follow this pattern when grown up. Children's labor is needed, because it would make work, by a process of internalization, to the children's second nature. Based on that analysis, *Justi* recommended ample usage of children's labor in Austria.

“*In other countries, where the capacity to useful activities for nourishment lacks, one sees them [the children] growing up playing and in lazyness*” (“*In anderen Staaten, wo das Genie zu nützlichen Nahrungsgeschäft fehlt, sieht man sie unter Spielen und Müßiggang aufwachsen*”, *Justi*, 1780, p 181). One has to teach them, “*that they may expect their future happiness in a civil life only by diligence*” (“*... dass sie allein durch Fleiß ... ihr künftiges Glück im bürgerlichen Leben erwarten können*”, *Justi*, 1780, p 181).

- c. The „Grundfeste“ by *Justi* was published in 1761. This book, together with other writings both by *Justi* and his colleagues, influenced the practice of children's labor during the subsequent decades. This practice is, however, not a phenomenon in isolation, but related to various other developments, in particular work houses for beggars' children (“children's house”) and specific manufacturing schools that pursued an (enforced) “learning by doing” approach.

Initially confined to small areas in Bohemia, the “Rescript”/“Order” of Feb 22<sup>nd</sup> 1755 introduced a system of “spinning and weaving schools”. This order was initially confined to certain parts of Bohemia. It obligated the entire population covered (including children) to seek instruction for a 6 weeks to 3 months period in spinning and weaving. The

subsequent “patent on the establishment of spinning schools” of the year 1765 provided for an establishment of spinning schools, if possible, in all cities and towns to provide instruction in spinning to everybody, but in particular to the “lazy youth”. Unskilled children, both boys and girls, were obligated to attend the spinning school (with some remuneration being paid) for at least two years within the age of 7 and 15. The patent was re-enacted, because of little effectiveness, in 1766.

To some extent, the public school system (slowly) crowded out manufacturing instruction, thus “protecting” (at least to some extent) children from excessive manual work. Mary Therese’s public school system left ample opportunities to pursue children’s work outside the public schools though. In the last three years of her reign and under her son, Joseph II, the instruction of spinning in public schools in addition to the regular teaching was deliberately encouraged by means of an pertinent elaborate remuneration scheme for teachers and pupils.

On the other hand, Joseph II introduced a personal order (“Handbillet”) on children’s labor (1786) that established a set of basic requirements with respect to labor protection issues (hygienical standards, one child – one bed, the duty to provide freshly washed clothes once a week, etc)<sup>11</sup>.

Still, children’s labor continued to thrive in Austria. An Austrian publication of the year 1843 (*Knolz* 1843, p 22) praised children’s labor as indispensable for cotton factories.

## 2. Work houses

- a. Work houses are institutions, originally developed under the influence of Calvinism in the Netherlands, that have spread out from Northern Germany to Southern Germany and Austria. With respect to their tasks in Central Europe, they are a complex phenomenon. Work houses were aimed at accomplishing four similar, but heterogeneous goals: namely, (i) to provide work for those who want to work but don’t find any, to be a place, where (ii) lazy people and (iii) beggars could be forced to work (the exact boundary between the two last mentioned group being fuzzy), and to serve (iv) as a “special prison” for lawbreakers.
- b. The establishment of work houses in Austria goes back to the late 17<sup>th</sup> century, inter alia under the influence of the then predominating “cameralists”. *Hörnigk* (1684, p 140) advised that the Austrian population “could only be accustomed to work if work houses get to do something against beggars and other idles” (“wann gegen die Bettler und andere Müßiggänger die Zucht- und Werkhäuser etwas zu tun bekommen”) and *Becher* (1688, p 77) argued that lazy people should be sent to the ‘hospital’ or to the work house, so that alms will not become the nourishment of begging).
- c. The institution of a “work house” has been advised as a means against beggars and idles people for the task to give them something meaningful to work and to provide “training on the job”. Whereas work houses have been considered “open” to people searching for work, beggars and idlers would be “locked in” by force; this physical “incarceration” was, however, not considered dishonest: work houses were places of disobedience, not prisons; inmates would also be paid for their work.
- d. The discussion of work houses finds its place in the context of the treatment of beggars and lazy people in general (*Lewis* 1988, 57-58). *Justi* and *Sonnenfels* had a very radical position in this respect, following the claim of “Alms giving is no charity”. *Justi* and *Sonnenfels* argued that these alms would only support the lazy not the needy. The lazy would exploit the subsidies and those, worthy of alms, would not gain any subsidy.

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<sup>11</sup> This piece of legislation is generally praised as one early example of special labor protection.

*Sonnenfels* argues in particular that alms are not a decent work but a nourishment of lazyness and in itself a vice. He conceded though that his views can hardly be realized in catholic countries.

Again *Justi* refers to the example of the Netherlands: *“That these institutes have an impacable effect against begging, is confirmed by experience in the Netherlands and some other large commercial centers, where one has established work houses and locked the beggars therein”* (*“Dass aber diese Anstalten ihre unfehlbare Wirkung wider das Betteln leisten, das ist schon in Holland und einigen großen Handelsplätzen, wo man Arbeitshäuser errichtet hat ... durch die Erfahrung bestätigt worden”* *Justi*, 1761, p 422).

With respect to begging children, *Justi* recommends to lock them in orphans’ houses and “houses for the poor” (“Waisen- und Armenhäuser”): Because these children have already been accustomed to lazyness it is, in *Justi*’s view, particularly important to take them away from their parents to educate them intensely towards diligence and to make them clear their responsibilities vis-à-vis the civic society: *“They must be forced to diligence and may not be left lazy for one single moment outside their lessons”* (*“Also in Sonderheit zum Fleiß und auch Arbeitsamkeit angehalten werden und außer den Lehrstunden keinen Augenblick müßig gelassen werden“*, *Justi*, 1761, p 420).

- e. Work houses have been a „lived practice“ in Austria in the second half of the 18th century. During that period they have been widely considered indispensable for the suppression of begging and the internalization of diligence and industriousness. Commonly, work houses have been established near manufactures and factories and derived the “work to be done” from there. This relationship to the general businesses also explains why work houses, as an institution, ultimately failed (for details, see *Lewis* 1988, pp 61-68). The development of the late 18<sup>th</sup> and the early 19<sup>th</sup> century have made apparent that “work at work houses” was nothing artificial and independent from the rest of the economy, but essentially part of it, and thus depending on general welfare.

### 3. Education

- a. The approach by *Justi* (and *Sonnenfels* and their followers) regarding education is best reflected in the following quote:

*„It is only diligence and industriousness, from which one may expect wealth and abundance, and consequently also the power of a country; and it is abilities and skills which make useful diligence and industriousness. A dull and unskillful population will despite of all its industry never accomplish anything with respect to manufactures and commerce and other sources of wealth. All these attributes can only be taught to the future citizens by means of children’s education. The inclination towards diligence is among the moral virtues, whereto their hearts must be formed from early on; and abilities and skills can only be taught by good education.”*

*“Der Fleiß und die Arbeitsamkeit sind es allein, von welchen man den Reichtum und Überfluss, und folglich auch die Macht eines Landes erwarten muss; und die Fähigkeiten und Geschicklichkeiten sind es, welche den Fleiß und die Arbeitsamkeit nützlich und brauchbar machen müssen. Ein dummes und ungeschicktes Volk wird es bei aller seiner Arbeitsamkeit niemals in den Manufakturen und Kommerzien und anderen Quellen des Reichtums weit bringen. Alle diese Eigenschaften aber können allein durch die Kinderzucht den künftigen Bürgern beigebracht werden. Die Neigung zum Fleiß gehört zu den moralischen Tugenden, wozu ihre Herz frühzeitig gebildet werden muss; und die Fähigkeiten und Geschicklichkeiten können allein durch guten Unterricht beigebracht werden“* (*Justi*, 1761, p 107).

- b. This analysis and policy advice to education is embedded in a twofold background. On the one hand, it is part of the general self understanding of enlightenment as the predominant school of thought in the second half of the 18<sup>th</sup> century. Writings on topics in education, pedagogics and schooling were abundant in the German speaking literature of that time. The specific approach by the economics approach of that time is, second, embedded in the “Protestant-Catholic framework” of institutional comparison. *Justi* argues that one should not wonder about the lack of abilities and skills in a population, if the youth is educated in gross ignorance and superstition. It may be these facts that cause the bad economic performance “in the so called passionate catholic countries, which are those countries where the clergy still enjoys so much power that it can hold the rabble in ignorance and superstition”.
- c. From his analysis, *Justi* derives a clear policy advice to reform this education system by state fiat: *„If it is true, as cannot be denied easily, that the power, welfare and happiness of a state relies on good and useful citizens, one cannot understand how the governments can spend so little diligence on the schooling system, by which only good and useful citizens may come about.”* (“*Wenn es wahr ist, wie so leicht niemand leugnen kann, dass die Stärke, Wohlfahrt und Glückseligkeit eines Staats auf gute und nützliche Bürger ankommt; so ist es unbegreiflich, wie die Regierungen auf die Schulanstalten, wodurch doch allein gute und nützliche Bürger entstehen, so wenig Sorgfalt verwenden können*“). (*Justi*, 1761, p 118).

*Sonnenfels*<sup>12</sup> follows this line of thought in his writings.

- d. The influence of the protestant schooling system is most obvious in the person of *Johann Ignaz Felbiger*, the founder of the Austrian public school system himself.

*Felbiger*’s interest in educational questions arose, when people in his home town complained that catholic families would send their children to protestant schools. *Felbiger* took over the task of reforming the catholic schools, and he did so by studying the protestant schools of his time, in particular those in Berlin. He designed his reform in the light of the standard set by the “competing” protestant schools. After having successfully mastered this first project he was entrusted with a reform of the catholic schools in Silesia (Schlesien). This reform turned out to be a huge success. *Felbiger* published constantly on his school projects and on his new approach to schooling and attracted the attention of the highest circles in Vienna. He then became the “father of the modern public school system” in Austria.

In his writing on the merits of empress Mary Therese, delivered the occasion of her death, he referred to the catholic -protestant background of his reform.<sup>13</sup>

*“One has noticed, and it is nowhere more apparent than in places, where Catholics and Protestants live together, that the wealth of the latter is always better than that of the first mentioned ones.”*

*“Man hat ... bemerkt, und nirgends ist es auffallender als an Orten, wo Katholiken und Protestanten untereinander wohnen, dass die Vermögensumstände der letzteren immer besser als der ersteren sind.”*

*Felbiger* continues by discussing the reasons for this phenomenon: He argues that the economic superiority of the protestants does neither stem from the lower number of

<sup>12</sup> For example in *Sonnenfels* (1804), pp 79 et sequ

<sup>13</sup> *Johann Ignaz Felbiger*, Die Beschaffenheit und Größe der Wohltat, welche Maria Theresia durch die Verbesserung der deutschen Schulen ihren Untertanen, dem Staate und der Kirche erwiesen hat (1781), printed in: *Beiträge zu österreichischen Erziehungs- und Schulgeschichte*<sup>5</sup> (Wien, Leipzig 1904), 223-290.

holidays nor their measures against beggars and lazy people; its true reason lies the fact that *“protestants have been used for a long time and still continue to train the mental abilities of their children in schools and to inspire them with useful knowledge, whereas the population among the Catholics, in turn, disregards the schools”* (“Dass Protestanten schon seit langer Zeit gewöhnt und immer geneigt sind, die selben Kräfte ihrer Kinder in Schulen zu üben und mit nützlichen Kenntnissen erfüllen zu lassen, da im Gegenteil das gemeine Volk bei den Katholiken eine Schule vernachlässigt”).

Based on this reasoning, he praises the empress for having focused her attention on the schools and attendance of children in schools, thus preparing *“diligent and more reasonable citizens”* (*“fleißigere und vernünftiger Bürger”*) for the state. The instruction of the youth is the means to this end in *“The school activities in schools prepare [the pupils] to work, to diligence, to things, whereby the happiness of both a state and of individuals is advanced.”* (*“Die Schulbeschäftigungen gewöhnen zur Arbeit, zum Fleiß, zu Dingen, dadurch die Glückseligkeit des Staats sowohl als einzelne Personen vornehmlich befördert wird.”*)

- e. As to the implementation of the public school system, already an Imperial Decree of October, 22<sup>nd</sup> 1770 called for the establishment of elementary education; the Decree referred to the important advantages which a country may derive from education to good Christians and useful citizens, stating that the empress has made *“the future education of the entire youth”* the primary focus of her politics. In the period of 1769 until 1774 many proposals for reform have been discussed. The problem of education was considered particularly urgent because of the dissolution of the order of the Jesuits of this time.

In 1774 *Felbiger* was called to Vienna to finalize the reform of the Austrian public school system on the basis of his much acclaimed reform of the Catholic schools in Silesia (Schlesien).

On December 6<sup>th</sup> 1774 the “Allgemeine Schulordnung” (“General school order”) has been enacted. It established the primary school and the principle that both girls and boys should attend school from the 6<sup>th</sup> year on. The school order “seriously encharges” the parents to send the children to school; a penalty (originally envisaged for violation of that duty) was not provided. The obligation to attend school was defined such that children had to learn what they would need to know depending on their future standing; they order argued that this could hardly be accomplished prior to the age of 12. Daily school times and vacations took account of the many fulfilled activities of children within the family work, particularly on farms. All in all, the General School Order established the principle, not a rule without exception.

Mary Therese’s son, Joseph II, enacted a thorough obligation to send children to school, begged with penalties.

The schooling system was further refined in the year 1805 with the “Political Constitution of German Elementary Schools”; this development was continued in the 19<sup>th</sup> century (for details on the development of the schooling system, see *Lewis* 1988, pp 87-98).

## VII. Interpretation and summary

There are several factors that render the historical period of 1740-1820 in Austria an interesting case.

1. This period is not a historical episode without any connections to the present. The transformation of the work ethics had a profound effect on the subsequent economic development up to the present. It can even be characterized as a necessary prerequisite of the industrial revolution.
2. The level of sophistication of the pertinent discussion is remarkable. It seems, as if the richness of this institutional approach in terms of an understanding of external and internal constraints was hardly matched in the subsequent century<sup>14</sup>.
3. The pertinent literature contains a straightforward empirical analysis and a clear policy advice. The advice recommended an institutional reform in terms of (i) eliminating “catholic institutions” that would hamper diligence and skills and of (ii) introducing “protestant institutions” that were considered effective in educating people towards modern work ethics.
4. Even if the analysis were wrong, the actual economic policy did follow this advice and implemented the recommended institutional reform, a reform that turned out to be relatively successful. In that sense, Austria is a showcase of how (assumptions regarding the economic relevance of) religion has effectively influenced the economic development.

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