



UNDERSTANDING MAX WEBER'S THOUGHTS ON CAPITALISM IN INDONESIA

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ABSTRACT

Understanding Max Weber's thoughts on the life of capitalism in Indonesia is not an easy job because it requires in-depth observation in its implementation. Therefore, the problem in this study is what exactly is Max Weber's concept of the Protestant Ethic and the spirit of modern capitalism and is it still relevant to be actualized in Indonesia? The finding is that Max Weber's concept of Protestant ethics is the doctrine of predestination, asceticism, good manners, hard work, frugal living, use of time, money and wealth. The spirit of modern capitalism that is developing now is the rationalization of capitalism based on scientific principles and the development of personal wealth, production for the market, production for the masses. The relevance of Max Weber's thoughts about the spirit of capitalism applied in Indonesia is progressive because the spirit of capitalism is related to cultural values or human life. Max Weber's concept of Capitalism encourages the Indonesian people to take rationalization and innovation and be creative.

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1. INTRODUCTION

Is the Indonesian economic system incompatible with the capitalist system? The essence of the New Order era's economic system is essentially shown in the GBHN. Then when the new Order had a much more systematic, detailed development document compared to the older order. Indonesia's economic system is still controversial. In the old order, Indonesia's economic system was called Indonesian socialism. Although the development documents in the New Order era were very systematic, in reality they have not been able to establish equitable welfare for development in Indonesia. In the history of Indonesia, this republic has two very clear orders. GBHN is not only a concept of economic development. Currently, the economic sector is the main priority of development (Itok Dwi Kurniawan, Sri Born, 2017).

Indonesia also aims to end and eliminate all the sufferings of the people at home and abroad as well as provide physical and spiritual blessings through the establishment of social order. The success of development during the New Order era only applied to the mainland of the island of Java, as a result, the President who was in power during the New Order era, Suharto was known as the Father of Development on the Island of Java. All agricultural and industrial activities are brought to the level of Indonesian exports. This is a slogan that cannot be executed by itself. Evidently, demonstrations of workers against justice always occur, even every year the number of demonstration activities carried out by workers can be counted. A just and prosperous society based on Pancasila as the embodiment of Indonesian socialism based on the principles of justice, democracy and welfare. Another indication is the decline in the distribution of income which is believed to be profitable on the part of the workers, but is more in favor of the interests of capital (the bourgeoisie) than the proletariat (the workers). Society within the framework of the Indonesian state. The main characteristics of Indonesian socialism are that all citizens are for the benefit of the people, especially the basic

necessities of life for the nation to live properly as an independent human being. The problem is complex because workers discuss their aspirations or demands using violence. The needs of daily living can be shared equally and cheaply by the community

Since entering the reformation period, the development of democratic (political) life in Indonesia has progressed rapidly, but it has not been followed in parallel with the growth of the people's economic system. Democracy that provides freedom or flexibility and political participation of citizens in Indonesia is developing and showing extraordinary progress. While political democracy is growing rapidly, it has not been followed by an increase in the welfare of the people evenly (Supriyadi, 2019)

Based on this opinion, there is a thought that develops in the citizens towards the development of capitalism in Indonesia, namely, first, the presence of capitalism usually always threatens the preservation of the biological environment in Indonesia because of its nature which seeks as much profit as possible without paying attention to good and right ecological factors. Second, capitalism contains an image that has not placed happiness on the citizens of Indonesia individually. Third, the existence of demonstrations by workers that always occurs every year shows that the presence of capitalism has the impression of disrupting the order of social life. Fourth, economically, capitalism is not profitable, but actually harms the people. Fifth, historically, in Indonesia Capitalism has made people miserable, because of Dutch imperialism, foreign debt, and foreign capital.

In an article written by Itok Dwi Kurniawan, Sri Born, about state capitalism, it shows that capitalism in Indonesia contributes to improving people's welfare. Oil companies, state-owned enterprises, state-owned private companies and the State Assets fund. Indonesia is still struggling to implement it. Recently, the government has SOEs, we must start to forget about political ambitions and turn into business ambitions. Maximum profit. Prerequisites have been made to build a new profit-oriented BUMN after the BUMN Law was passed in 2003 (Itok Dwi Kurniawan, 2017)

In this regard, we try to explore the views of a scientist on this matter. We want to find out, what is the view of the scientist Max Weber on the life of capitalism. What exactly is Max Weber's concept of the Protestant Ethic and the spirit of capitalism and is it still relevant to be actualized in Indonesia?

The purpose of discussing this article, first, is to explore and understand Max Weber's thoughts on the existence of capitalism; second, examine the application of capitalism in Indonesia and its relevance using capitalism developed by Max Weber

Understanding Capitalism

Capitalism comes from the word capital which comes from the Latin word caput which means "head". This meaning becomes clear, for example in the term "per capita income" – income per head. Then, the word ism refers to "understanding", "ideology": a perspective or way of life that is accepted by a broad group of people and therefore becomes a convention. Actually it's easy to interpret "capitalism", once we agree that "capital" is "capital". Capitalism is modalism: an understanding based on capital. Some sources often say that capitalism as an ideology must be distinguished from capitalism as a phenomenon.

According to the online Big Indonesian Dictionary (KBBI), capitalism is a system and understanding of business (economy) in which capital (investment, industrial activities) comes from monopoly capital or private company capital, by taking advantage of the characteristics of competition in the free market.

Thus, the direction of the capitalist system is an ongoing effort to accumulate money through various capitalistic fields. From this, it can also be understood that capitalism is an understanding that has 2 main objectives, first, the accumulation of capital and second, the process of investing or expanding capital. (Ismulyadi, 2016)

THEORETICAL REVIEW

Max Weber's Life at a Glance

Max Weber is one of the four philosophers who is best able to explain to us the strange economic system in which we live called Capitalism. Max Weber was born in Erfurt, Prussia (now Germany). Weber's father was deeply involved in public life and therefore his house was constantly filled with political and academic activities. Weber and his brother thrived in this intellectual setting. Weber grew up to see his country shocked by the dramatic changes brought about by the Industrial Revolution.

Weber's father, who was successful in business and politics, prospered greatly from this new era, leaving his son with a fortune. His mother was a quiet and introverted person, who mostly stayed at home practicing a very devout and strict version of Christianity.

In 1882, he enrolled at the University of Heidelberg. After being released from the military, Weber completed his studies at the University of Berlin, earned his doctorate in 1889 and joined the University of Berlin, lecturing and consulting for the government.



In 1894, Weber was appointed professor of economics at the University of Freiburg and then given the same position at the University of Heidelberg in 1896. In 1909, Weber founded the German Sociological Association and served as its first treasurer (Crossman Ashley, 2020)

The elaboration of Max Weber's thinking was successful in 560 countries in the world, but has not succeeded in the remaining 161 countries. According to Weber, the remaining country is arguably not working well at all. Billions of dollars in aid are transferred annually from the rich world to the poor world, and spent on malaria pills, solar panels, and grants for irrigation projects and women's education. But Weberian analysis tells us that these materialist interventions will never work, because the problem is not really material problems. We have to start at the level of ideas. What the World Bank and IMF should provide in sub-Saharan Africa is not money and technology, but ideas (ManisJohn dreiJ, 2008) .

Protestant Ethic

In a book entitled *The Protestant Ethic and the Spirit of Capitalism*, Max Weber (1987) believes that Protestantism in Western Europe has helped to create and institutionalize universal values of the need for achievement. Weber's analysis concluded that the emergence of capitalism in Western Europe was caused by the Protestant ethic taught by John Calvin. The work ethic of Calvin's Protestant followers who are hard and earnest, has an impact on becoming a rich person because they are able to provide success in the economic field. Although Weber's analysis has criticized many, but clearly Weber has shown that there is an ethic in Protestantism related to economic development (Nadjib Mochammad, 2013). Protestant ethics that support economic activities include:

1). The Doctrine of Predestination.

Idea about predestination this especially circulating strong in circles Calvinism. This predestination teaching emphasizes that the fate of the hereafter and eternal man is in the hands of Allah alone, not in the hands of humans. Since beginning Humanity is divided into two groups: the elect (*elected*) or group rejected (*rejected*), however where place/status we is a mystery life: there is no certainty whatsoever that people will be included in the group lucky ones – congratulations. As a result, Protestantism have appreciation which tall towards material well-being because it is a religious sign of salvation spiritual somebody: welcome to world means sign will good luck in hereafter later.

The doctrine of predestination should be seen as the point of departure for Weber's analysis. As formulated in the sixteenth century by Swiss theologian John Calvin (1509-1564), it condemns most believers for all time, by divine decree; only a small part will be saved. Even very pious behavior and constant charitable deeds will not change God's judgment (Kalberg Stephen, 2016)

2). asceticism

In analyzing the relationship between world religions and economics especially for the rise of capitalism, Weber develops a typology of the way of salvation. Asceticism is the first broad type of religiosity, and asceticism combines an action orientation with a believer's commitment to denying themselves the pleasures of the world. Ascetic religion is divided into two subtypes. Otherworldly asceticism involves a set of norms and values that instruct its followers not to work in the secular world and to resist its temptations. Of more interest to Weber, because it includes Calvinism, is the inner worldly asceticism. Such a religion does not reject the world. Instead, he actively urges his members to work in the world so that they may find salvation, or at least signs of it. The specific aim here is strict methodological control over the members' lifestyle, thoughts and actions. Members are urged to reject anything that is unethical, aesthetic, or dependent on their emotional reactions to the secular world. Inner worldly ascetics are motivated to systematize their own behavior. Such mundane and other worldly ascents also fall into two categories: the secular Protestant ascent, and the worldly puritan ascent.

Weber's "ascetic Protestantism" is an all-encompassing value system that shapes a person's entire life, not just work ethics. Life must be controlled better to serve God. Pushes and activities that encourage urges, such as sports or dance, should be avoided. Outer jewelry and ornaments distract from inner character and purpose, So a simple life is better. Excessive consumption and laziness are wasted resources. In short, the Protestant ethic governs life according to its own logic, but also according to the needs of modern capitalism as Weber understands it (Frey Donald, 2022).

3). Beruf (Professional Vocational).

In an era when religion dominates all life, Martin Luther's insistence (1483-1546) that salvation is by God's grace through faith has placed all vocations on the same page. Contrary to medieval belief, religious vocations are no longer considered higher than economic vocations because only personal faith matters to God. However, Luther did not push the potential of this revolution any further because he clung to a traditional and static view of economic life. According to Luther, the conception of vocation means the fulfillment of the obligations imposed on the individual by position in the world does not mean the way of life accepted by God does not transcend worldly morality in monastic ascension. The monastic life is not only valueless enough as a means of justification before God, but he also views his rejection of the duties of this world as a product of selfishness, withdrawing from worldly obligations. He strongly

emphasized that the declaration of fulfillment of worldly duties under all circumstances is the only way to live that is accepted by God. They are a means of overcoming inner resistance to capitalist work habits, although they were not founded with this purpose or function in mind. Protestantism had a further new development, which was the assessment of the fulfillment of duties in worldly affairs as the highest form of one's moral activity. The only way of life acceptable to God is solely through the fulfillment of the obligations imposed on the individual by his position in the world (his vocation), Not by trying to transcend worldly morality with monastic asceticism.

4). **Attitude to Work Hard** (*Hard Work*).

According to Ethics Protestants, that work of any kind can and should be done in the name of God, even jobs like being a baker or accountant. Work is no longer just about earning a living, it becomes a part of a religious vocation that relates to proving one's virtues to God. If we define work ethic as the importance attached to having a job, the between-group differences in the measure of the effect of unemployment on well-being can be interpreted as differences in work ethic.

Weber's hypothesis about work is useful for testing one of the more general interpretations of Weber's thesis, namely that those who are Protestants today tend to have a stronger work ethic than people who currently hold different religious beliefs. However, it has been noted that Weber argues that the focus is not so much on Protestantism today but on a Protestant ethic as a historical factor, which has evolved into a rational and secular 'spirit of capitalism'.

In addition, the merchants (*business men*) are a group that deserves suspicion because they have a tendency to fall into the "*crematistic*" tendency to lie with words and cheat with goods for personal gain. Physical work is justified/recommended for three moral reasons, namely a means to meet the needs of personal life; means of overcoming the sin of laziness; and a means to do charity by sharing the advantages with the needy. But work is not seen as an economic means/effort to pursue wealth, because wealth, like laziness, is seen as a temptation that can plunge people into sin.

5). **Attitude to Time Relax and Relax** (**Rest & leisure**).

A positive appreciation for work is accompanied by a negative appraisal towards time and a relaxed, idle and empty attitude. The time of human life in the world is like that short when compared to the opportunities eternal life in heaven. Awareness it evokes "*a sense of urgency*": that short time should be used optimal possible for To do something which beneficial for the sake of glory God.

Weber's work on rationalization and bureaucratization has been used in leisure studies to study the leisure industry. Building on Weber's work, George Ritzer has demonstrated the breadth of rationalization in what he labels McDonaldization, namely the "process by which the principles of fast food restaurants increasingly dominate sectors of American society and the rest of the world". He distinguishes 5 dimensions of "attractive". *First*, the fast food model offers efficiency, or at least the effort to find and use the optimal means for a particular purpose. In practice, this includes three things: streamlining processes (e.g. production of product assembly lines, simplifying goods and services (e.g. offering limited menu options), and using customers to perform tasks that employees are accustomed to. *Second*, McDonaldization emphasizes process and product calculations, namely a focus on quantity over product quality (e.g., coffee size at Starbucks), attempts to create the illusion of quantity (e.g., use of lots of ice in drinks) and to reduce production and service processes to numbers. *Third*, predictability is achieved through replication of settings (e.g. interiors). for restaurants worldwide), the use of scripts to control what employees say (eg by greeting customers in a standardized manner), employee behavior routines (eg using training programs) and uniform product offerings. *Fourth*, McDonaldization emphasizes control by replacing humans with non-humans. -man technology. One example is pen exchange gatekeepers (e.g., reviewers) – those who tip cultural consumers about related tastes, with algorithms. *Fifth*, the irrationality of rationality refers to the negative effect of rationalization, for the rational system as an unreasonable, inhumane system, and moreover the dominating system (Berkers Pauwke, Eijck Koen van, 2017)

6). **Attitude to Money & Wealth** .

Weber emphasized that making money as a vocation has been "against the ethical feelings of all ages." Lack of moral support in pre-Protestant society, business is strictly limited to "traditional way of life, traditional level of profit, traditional amount of work". However, this pattern is "suddenly destroyed, and often without any essential change in organizational form." Calvinism, according to Weber, changed the spirit of capitalism, turning it into a rational and shameless pursuit of profit for its own sake. The Bible forbids people from charging interest and usury on financial loans, especially if the borrower is really in need or needs help because this goes against the spirit of "*brotherly love*." Calvin emphasized that there are flowers that are unlawful and flowers that are lawful. Historically, Weber saw primarily what he called "traditionalism" as opposed to the "spirit" of capitalism. From the point of view of the "traditionalists," i.e. ultimately pre-capitalists, Weber reiterates the contrast between "traditionalism" and the "spirit" of the new capitalism. "But that is precisely what pre-capitalist man seems so incomprehensible and enigmatic, so dirty and despicable. That a person for the purpose of his life's work can only make decisions, instead of being burdened with a heavy material burden of money and goods. , it seems to him only as a product of an evil impulse:



greed for money. Whoever does not meet the conditions of capitalist success in his way of life, he will either go down or not rise. After Weber gave an understanding of the "spirit" of capitalism (money recruitment, capital increase, professional ethos as an end in itself), he returns to the question at the end of the section about the roots of this professional ethos (Ronald Hartz, 2004)

Weber says in his work *The Protestant Ethic and the Spirit of Capitalism*; "we can work for God, not for the pleasures of the body and sin, but for the purpose of getting rich. In Calvinist teachings, the wealth obtained cannot be used for harmful and bad deeds, but contains utilitarian purposes. "God wants wealth to be used rationally and pragmatically in accordance with the life goals of individuals and society. As a result, according to Weber, it is observed that wealth acquired and accumulated by working in a disciplined manner is effective in the formation of the "Capitalist Spirit" (Nur Fatma, 2019)

The work ethic of Calvin's Protestant followers who are hard and earnest, has an impact on becoming a rich person because they are able to provide success in the economic field. Although Weber's analysis has been criticized by many, Weber has clearly shown that there is an ethic in Protestantism related to economic development. The work tradition in Calvin's Protestant teaching has an ethic to do hard work, be serious and stay away from laziness so that in many ways it is able to encourage positive economic development (Nadjib Mochammad, 2013)

7). Honesty (*Honesty is the Best policies*).

Protestantism is well aware of the dangers of greed and fraud that tempt liver every man, specifically para trader and businessman. That why they very emphasize principle fair and honest (*fair and honest dealing*). because that no only profit but also method for get profit that should can be accounted for by moral. That's why they are so emphasizes fair prices, reasonable wages and trust (*reliability/trust*) in economic transactions.

8). Attitude and Spirit Innovative.

Lots religion which bound on tradition which considered holy and sustainable. AttitudeThis creates a conservative atmosphere and spirit that extends to politics as well and the economy: an anti-change atmosphere. Protestantism emphasized that in In this world there is only one thing that is sacred, namely the Holy Scriptures (*Sola Scriptura*). All facts and other life activities can change, depending on logic and experience. Attitude this push happening spirit creative and innovative invarious areas of life. In the economic field, *businessmen are* provoked to continuecontinuously looking for innovation in product and production process (Ronald Hartz, 2004)

9). Confucianism and Taoism

In addition to talking about the relationship between Protestantism and Capitalism, Weber also talked about the Chinese beliefs, namely Confucianism and Taoism. It is not clear what all the functionaries actually do in their meetings and at their desks. These ideas have economic consequences; that is why today, Weber argues, there are plenty of good public hospitals in Geneva and Erfurt and not too many in Chennai or Varanasi. At the same time, the Hindu ideology of clans removed the pressure from individual responsibility and encouraged nepotism over meritocracy. This is where the power is held by a vast bureaucracy the way of working completely confuses ordinary citizens. Devotion to bureaucracy fosters a static society – whereas entrepreneurship springs from a mixture of anxiety and rewarding hope. For Weber, the Hindu caste system assigned everyone to a status they could not escape and therefore made any continued commercial endeavors futile. How to understand Weber's existence in order to resolve his empirical anxiety, then what he does is understand the life history of the Chinese people. Weber tried to find the answer "why is capitalism not developing in China?" . In order to obtain answers to the simple questions above, Webar conducted a literature study on the existence of the Chinese people . Weber focused his attention on elements of Chinese society that differed greatly from the culture in the western hemisphere (Europe) in contrast to Puritanism. Belief in samsara – displacement soul – also inspires the view that nothing substantial can change until the next life. There, Confucianism gave too much weight to tradition. Weber noted these same factors were unhelpful in China. No one feels capable of rethinking how things are done (Pranowo Yogie, 2022)

b. Characteristics of the Spirit of Modern Capitalism

The characteristics of the spirit of modern capitalism developed by Weber are:

1. Economic enterprises are organized and managed according to scientific principles (science) and the development of private property. This means that the management of the company's economic activities applies scientific principles in carrying out company management from production activities for the market, production for the masses and through the masses, production for money (Siahaan Hotman, 1986).
2. The rational-capitalist (operational) organization of (formally) free labour. Organized capitalist-rational enterprises with free wage workers are elsewhere, according to Weber, only in their early stages. Rational business organization oriented to market opportunities for goods and not to violent irrational political or speculative opportunities is a special feature that can only be found in modern western capitalism. This formal free labor is rationally organized in the capitalist enterprise. Modern capitalist enterprise is based solely on hiring formally free workers. Two provisions in

the capitalist definition cited by the Joint Company: (a) "The work is carried out on a voluntary basis on both sides" and (b) the rational organization of contractual work. If capitalism is understood as a trade-oriented economy with the aim of pursuing unlimited profits, regardless of the underlying basis, then this form of economic activity is not particularly western or even particularly modern. The pursuit of "the highest possible monetary profit" has far more "to all ages in all lands of the earth" is given.

In particular, there are five points in favor of making formal casual work the foundation of capitalist enterprise: (a) reduction of capital risk and capital expenditure on wages; (b) the reproduction and rearing of children under a wage labor system are the full responsibility of the workers; (c). slave labor, said Weber, "was burdened with the costs of feeding and raising children." These costs are paid for by capitalist entrepreneurs who pay hard. Therefore, (d) formally only allows free work, reading for achievement, and willingness to perform among workers (Berger Johannes, 2018).

3. Separation of household and business affairs. Only the separation of household and business and legal separation of business assets and personal assets makes it possible to establish a company in which several partners can participate. Capitalist enterprises are rational because they are bureaucratically organized. This separation has been fully implemented in large enterprises with "the most complete separation from the business and its destiny from the household and from property equipment from its owner", but is also found in the approach of every small craft business. The capitalist enterprise derives its rationality, one might say, from the rationality of bureaucratic organization.

4. Rational accounting. The development of rational accounting is closely related to the separation of business and personal assets. Only this makes it possible to calculate the profits to be paid to the various shareholders of the corporation based on their respective investments (Schmit Joachim, 2003). Each textbook of investment accounts, which Weber himself has referred to, informs the principles of rational decision-making. Bookkeeping is closely related to the separation of household and business. The rationale of capitalist enterprise is "separation of household and business." This separation is rational because it makes it difficult for household interests to mix with business interests. They also use officials (in the sense of private employees) who work according to the rules set in the office with a fixed division of tasks. The predicate "rational" deserves *double-entry bookkeeping* because of the possibility that both the entrepreneur and his adherents, in principle, can gain insight into the state of the company.

The investment decision then becomes rational if it is based on the calculation of investment costs and returns and if both investments are realized whose expected value is at least as high as the alternative investment decision. It not only serves the entrepreneur as a source of information about the state of his business, but also potential capital lenders and government agencies. The achievements of bureaucratic administration organizations are thus not limited to public bodies, but are found exactly in private organizations.

5. Capitalist companies act rationally when decisions about company expansion, business areas and technology choices are not made blindly or "emotionally", but on the basis of information about expected developments and business prospects. The capitalist enterprise as a rational event is a capital account. The purpose of capital adequacy is to control employment opportunities and success. Developed in the early modern period, since then largely unchanged in use, modern-day capitalism-based profitability is by no means "natural", but a highly unlikely form of economics. (Berger Johannes 2018).

c. Implementation of the capitalism system in Indonesia

The implementation of the capitalism system in Indonesia, according to Wianti Nur Isiyana, et al (2012), is found in a study entitled Local Capitalism of the Bajo People . This study finds that social relations of production in economic activities are formed by local capitalist actors in Mola based on instrumental rationality. Private ownership for profit. This Bajo-style local capitalism production system shows that workers, both Bajo fishermen who are bound, even hired workers in the processing of fishery products produce surplus value, but the surplus value is not entirely enjoyed by the capitalist actor, but also benefits are enjoyed by the workers. The capitalist actors in Mola and Mantigola do not run a very strict wage system for fishermen (Wianti Nur Isiyana, 2012)

Dede Sri Kartini et al in a study entitled Capitalism in the Special Economic Zone (SEZ) of Pandegran Regency formulated the question: "How is capitalism regulated locally?" The findings show that the Tanjung Leson SEZ provinces were deregulated by the political results of Law 39 of 2009 concerning Special Economic Zones. This law provides many simplifications to owners of capital, including: reduced property and construction taxes, income and import taxes. Officially, this policy is like the third way, "centric" for the capitalist sector, but guarantees the safety of the people. In fact, only those who have the capital can take advantage of this policy. At the regional level, this law is complemented by the Pandegran Regency Regional Regulation Number 2 concerning the Establishment of Pandegran Regency Regional Apparatus Organizations (Dede Sri Kartini, 2017).

Apreno and Noelmanza discuss issues related to the ideology of Capitalism in the Djarum 17 Tobacco Advertisement. Their findings, in the Djarum 17 advertisement, show that a culture that is not good for government officials is still developing. Advertisements on Djarum 17 tend to eliminate and avoid the bad effects of cigarettes, so



that the general public and consumers are confused with unique and life-threatening promotional packages. However, no matter how good and attractive an advertisement is, there is a purpose behind it, the most important thing is selling the advertised product. This is the company owner's strategy when marketing a product. Each critical discourse formation has an underlying interest and ideology (Noermanzah Apreno, 2022).

In a study entitled The Impact of Plantation Capitalism on Changes in Community Culture in the Suban Region, Imadudin Iim stated that the plantation sector has played an important role in the dynamics of Indonesian society since colonial times until today. As a logical consequence of the existence of plantations, various economic and social realities of communities in various regions in Indonesia have developed. The social culture associated with the self-sufficiency economy has turned into a money economy. But of course the changes due to development and modernization can be well planned, because the people who are affected. Therefore, development and modernization activities need to consider socio-cultural aspects more to minimize structural poverty (Imadudin Iim, 2014)

Then Paryono, in an article entitled, Pancasila Economic Democracy and the Basin of Global Capitalism in Indonesia's Electricity Industry policy. His findings, globalization as a new form of expansion of capitalism forms a legal structure based on the idea of free market economic democracy. The development of electricity infrastructure in Indonesia must consider the composition of ownership with the percentage that the Indonesian state is more dominant than private or foreign ownership is dominant so that the Indonesian state is not trapped by the puddle of global capitalism in electricity policy. Liberalization of electricity infrastructure, a free liberal concept must be limited, in this case the ownership of private sector power plant infrastructure must be limited (Paryono, 2019)

Supriyadi, in an article about the practice of democracy and capitalism in Indonesia, parallels the increasingly unstoppable pace of capitalism, the development of democracy achieves or realizes prosperity for all. The results of the study indicate that the development of Indonesian democracy, which is accepted and recognized by the wider community, tends to be defeated by the economic power of capitalism. There are elements in common between the two, and capitalism provides greater political freedom, but the separation of the two systems creates doctrinal problems that one requires or destroys the other (Supriyadi, 2019).

METHODS

This study uses a *systematic literature review (SLR) method*. Kitchenham & Charters (2007) in Wahono (2016) explains that SLR is identifying, assessing, and interpreting all findings on a research topic to answer predefined research questions. Using the *literature study method* by describing related theories and conducting analysis based on research data found from various local and national scientific journals as well as international standards. Data from research results from journals were analyzed based on the theory of capitalism initiated by Max Weber. Therefore, before discussing the theory, a biography of Max Weber is described.

RESULTS

Max Weber's concept of rationalizing the economic life of traditional society to modern society occurs in the Bajo tribal community. The rationalization that occurs is becoming more harmonious because the distribution of profits is not only aimed at individual capital owners but is collegial in the sense of kinship. Families who participate in investing also get profits like other capital owners. The findings of the research conducted by Wianti Nur Isiyana et al about profit maximization, patterns of economic expansion, individualism *profit property*, social relations of production show that people have a very high progressive attitude towards the real meaning of economic action.

Then the results of research conducted by Dede Sri Kartini et al regarding deregulation of Capitalism in the Tanjung Special Economic Zone (SEZ) of Pandeglang Regency showed that there was a process of rationalization of regulatory procedures before the production process started. The convenience provided to capital in running the economy in this district does not only benefit the owners of capital but in the context of accelerating the process of economic development.

In a study conducted by Apreno on advertisements for cigarettes with the Djarum 17 brand, which depicts a culture of dishonesty in conveying their products to the public, an indication of a company that is dishonest in introducing its products to the public. In fact, Max Weber advised that in doing business we must be honest in our production. The results of this study indicate that developing capitalism is not what Max Weber wanted.

The results of research conducted by Imadudin Iim, regarding the Impact of Plantation Capitalism on Changes in Community Culture in the Subang Area have not described the existence of a balanced profit between the capital and plantation farmers. The beneficiaries are garden farmers who have large capital, while garden farmers who have changed professions to become farm laborers make them even poorer. The results of this study are of concern to all of us because farm laborers are victims of structural poverty. Are the research results valid, it requires a review of the actual problem?

In the article written Paryono (2019) regarding Pancasila Economic Democracy and the Basin of Global Capitalism in Indonesia's Electricity Industry policy shows indications of foreign investors managing electricity resources in Indonesia. Regarding the practice of democracy and capitalism in Indonesia today, according to Supriyadi's research, the development of democracy in Indonesia, which has actually been accepted and recognized by the wider community, seems to have been carried away by the economic power of capitalism. This means that there are still indications that the development of democracy in Indonesia is running normally. It is proven that the community's economic activities are still running in accordance with the norms and economic culture in Indonesia. The results of the research presented show that the success of the capitalist economy in Indonesia is not due to the majority of adherents of the Christian religion but because the heritage of Protestant ethical values has become universal (general) values.

DISCUSSION

Max Weber's success in formulating the concept of the spirit of capitalism has begun to reap the rewards in this earth of Persada. It is evident that the bourgeoisie began to realize its need to adapt to the workers and the environment and the bureaucracy. The bourgeoisie began to realize that its enterprise would not run safely and progress without the support of the proletariat and the State.

Max Weber's concept of profit sharing that is full of rational and balanced calculations shows that the capitalism system implemented in Indonesia is in accordance with the principles of justice in accordance with the ideology of our country, namely Pancasila.

The smoothness in granting permits and producing local regulations (Peraturan Daerah) for the convenience of investors working in remote areas shows that the state (bureaucracy) is working for the prosperity and welfare of the people. Although the results are not directly enjoyed by the people, the people feel they are treated fairly in carrying out production.

Although the author only reviews the results of research conducted by fellow researchers, at least it has provided a picture of life and signs of the progress of capitalism in this country. Thus, the negative label (*image*) of capital so far we immediately avoid. Because today's era is not like in the past. Bureaucracy can cooperate with capital for personal interests. The community also does not remain silent to monitor the wheels of economic development of capitalism in Indonesia.

Max Weber's concept of bureaucracy regarding professionalization, working systematically and according to procedures and rules is reflected in the implementation of the capitalism system in Indonesia. The proof is that companies that work professionally so far do not want to carry out their production activities or business activities if there is no complete permit from the State (Bureaucracy).

Answering the thesis, is Max Weber's theory about the spirit of capitalism still relevant to be applied in Indonesia? There are two options that the author offers to the public. *First*, it is still relevant to be actualized because the spirit of capitalism developed by Max Weber concerns the culture or values (values) of human life which must be continuously fought for in order to uphold truth and justice in the capitalist system in Indonesia. For example, the value of hard work, the value of financial meaning and wealth so that the capital continues to be encouraged to develop more and more companies. Because the more capital there is to establish a company, the more people will be able to work here.

Second, the concept developed by Max Weber inspires every religion in Indonesia to have a reference in doing business that comes from religious values. When people realize that religious factors support the economic system in Indonesia, they will apply their teachings in business without referring to Max Weber's concept. Because the Indonesian people are known as a religious nation whose behavior always adapts or is integrated with their respective religious doctrines.

CONCLUSIONS AND RECOMMENDATIONS

The Spirit of Capitalism, according to Wax Weber, is derived from the teachings of Protestant Christianity, so it is called the Protestant Ethic which is now known for its cultural values that are the basis of the spirit of modern capitalism, namely the doctrine of predestination, asceticism, character, hard work, frugal living, use of time, money and wealth. The spirit of modern capitalism that is developing now is the rationalization of capitalism based on scientific principles and the development of personal wealth, production for the market, production for the masses.

Based on a study report from a journal review conducted, it shows that Weber's concept of capitalism in Indonesia is becoming increasingly progressive. The indications are, the sharing of mutual benefits between local capital and the community, ease of regulation and obtaining business permits for capital, innovating local communities.

According to this research, the relevance of Max Weber's thoughts on the spirit of capitalism to be applied in Indonesia is still relevant because the spirit of capitalism concerns culture or *values* (values) of human life which must



be continuously fought for in order to uphold truth and justice in the capitalist system in Indonesia. For example, the value of hard work, the value of financial meaning and wealth so that the capital continues to be encouraged to develop more and more companies

Max Weber's concept of capitalism inspired the Indonesian people about religious factors to support the economic system in Indonesia. Thus, he will apply his religious teachings in business without having to refer to Max Weber's concept. Because the Indonesian people are known as a religious nation whose behavior always adapts or is integrated with the doctrines of their respective religions.

This research study is still far from perfect, therefore it is hoped that there will be further studies of Max Weber's thinking with the concept of comparison and its implementation in Indonesia. Further studies are expected to be increasingly focused on a more rigorous and systematic analysis

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