

Are There Still Traces of Protestant Ethics in Modern Capitalism?

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Abstract

The decline of communism in the beginning of the 1990s made capitalism the only ideology. This paper discusses Max Weber's thesis stating that the rise of capitalism was influenced by the spirit of Puritan ethics. It also tries to relate the American values and the history of capitalism during the American colonial era in the middle of the 17th century. Some cases of the impact of overdeveloped capitalism are also highlighted in this paper.

Keywords: capitalism, puritanism, American values, impact

1. Introduction

The fall of communism in the early 1990s made capitalism the world's only prevailing ideology with no equivalent competitor. Capitalism did not just become an economic ideology, but also a political, social, and cultural one as well. Aside from militarism, centralism, and individualism, capitalism is one of Europe's ideological pillars and a new world order which is now quickly developing. Even now, capitalism has become the primary force of economic globalization. In this modern era, it develops even more quickly and out of control, leaving far behind the people who cannot compete and adapt within it. However, in some developing countries, capitalism brings some social impacts. Take an example of Brazil, Kröger (2012) argues that in Brazil's current capitalism, the 'owners of power' is the centrally entwined connectors between private and public actors. In other words, capitalism is not purely developed from cultural concepts but the relationship between government officials and private businesses. Accordingly, his paper tries explains the thesis of Max Weber, regarding the beginnings of capitalism and especially about the influence of Protestant or Puritan values, also known as Puritan ethics (Weber 1905, online), and American values (Levine and Adleman : 1994) toward the development of capitalism, which in the beginning had developed in conjunction with the history of the United States as a nation-state.

2. Puritanism and Protestant Ethics

"Puritanism" and the word "Puritan" itself comes from the word "purify", meaning "to purge". Puritanism in the context of this paper is the religious movement of European origin, more specifically from England, which then spread to America through the European migration to America in the 17th century. Puritanism cannot be separated from the Reformation movement from the Roman Catholic Church, which was spearheaded by Martin Luther in Germany in the year 1517. It was John Calvin of Geneva through his work titled Institutes of the Christian Religion (1530) who spread the Luther Reformation spirit across Europe and eventually in America. "The most characteristic and influential form of Protestantism in the two centuries following Reformation is that which descends, by one path or another, from the teaching of Calvin." (Tawney 1960: 91) Calvin's philosophy, popularly called Calvinism, is considered to be influential in shaping American culture, especially the value system, thinking patterns, and the character of the American people later on. "This somber and severe religious leader elaborated Luther's ideas in ways first profoundly affected the thought and character of generations of Americans yet unborn. Calvinism became the dominant theological credo not only of the New England Puritans but of other American settlers as well..." (Bailey and Kennedy 1994: 41) The effect of the growth of the Reformation was also felt in England where in the Church of England a Puritan movement occurred (1660) which aimed to find the middle ground of the two extremes of Roman Catholicism and Reformation Protestantism.

Like the Reformation movement which brought up Protestantism, this movement assumed that the Bible was the only source for religious living. The development and transformation of Puritan teachings make up the most fundamental movement in 17th century United States (Tawney 1960: 165). The followers of Puritanism, commonly known as Puritans, in the 17th century began to migrate from Europe to America, to a continent which they considered a new land (the New World). They created the New England colonies of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, which later became states. They believed that this New World was the Promised Land, the Canaan that was promised by God, to which they had to arrive as Moses had when crossing the Red Sea to Israel. Fanfani (2003: 148) adds that According to Max Weber, Protestantism encouraged the development of capitalism by introducing into the world the idea of vocation, by which each individual was bound to devote all his powers to the field of work to which he was called, in the conviction that this was his sole duty towards God.

3. American Values

Values in this case mean perspectives and ways of thinking, acting, and communicating, which are products of cultural values. Notes made by foreign anthropologists regarding American values as summarized by Levine and Adelman (1994: 12-13) can be explained as follows:

1. Personal control over the environment – People can control their environment, and on a certain level can direct their goals.
2. Change – People will go into stagnation if they do not change.
3. Control over time (“Time flies”) – Time goes by so fast that it seems to fly. People are pressed for time and so they try to control it.
4. Equality and egalitarianism – All men are created equal.
5. Individualism and privacy – Individual needs are prioritized over the needs of the many.
6. Self-help – People must try to improve their own quality of life with their own strength; they must “pull themselves up by their own bootstraps”.
7. Future orientation – People see toward the future rather than the past.
8. Action and work orientation – Work defines someone. People ask someone by asking “What do you do?” This value contains the American Dream, the dream that everyone can achieve material change and success.
9. Informality – This is reflected in the use of first names without titles, casual clothing, and lack of formal rituals.
10. Directness, openness, and honesty – People are direct, informal, open, and truthful.
11. Materialism – People are more inclined to focus on material success than spiritual success.

In addition to Levine and Adelman, Weaver (1999) in his *American Cultural Values* explains that American values can be described as: (1) Risk-Taking. Immigrants to the US were willing to leave their homes to go half way around the globe while knowing that 20 percent of them would die en route. They risked their lives to go to the new world where there was religious and political freedom. The willingness of the individual to take risks is a basic aspect of the American culture even today; (2) Upward Economic Mobility. Calvinism was revolutionary in Europe in the 1700s because it did not support the economic status quo. The Calvinists believed that God rewards the individual who works hard, and that one can easily move from one economic class to another through individual effort; (3) Egalitarianism, Individual Achievement and Action. Free enterprise, market capitalism and political liberalism were built upon assumptions of individual achievement, social mobility within a class system, and an anti-government philosophy. These ideas also grew in the greenhouse environment of an America with an abundance of natural resources, limited population and a continually expanding economy; and, (4) Self-reliance and Independence (Frontier or Pioneer Values). Most worked hard to save money to take advantage of economic opportunities in the West where there was land, natural resources, gold and employment. These pioneer values were added to the European Calvinist values to form the core cultural values of America. For Americans, the cowboy is a Calvinist on horseback and represents the dominant values of this society Weaver (1999: 9-15).

4. Puritanism, American Values, and Capitalism as a Cultural System

In the beginning of the 20th century, over a century ago, Max Weber in 1905 advanced a thesis which has been discussed by sociologists even up to now, that the emergence of capitalism is because of the spiritual values of Puritanism. He proposes that Protestant ethics which are present in several Puritan sects such as Calvinism, Pietism, Methodism, and the Baptism movement are the triggers for the appearance of the capitalist spirit.

“We thus take as our starting point in the investigation of the relationship between the old Protestant ethic and the spirit of capitalism the works of Calvin, Calvinism, and the other Puritan sects.” (Weber 1905, Online). The values of Puritanism are certainly not necessarily the cause of the appearance of the capitalist spirit because the capitalist spirit has actually developed along with the history of people in this world. However, some aspects of Puritanism are believed collectively to be the variable that leads to the rise of capitalism. “The capitalist spirit’ is as old as history, and was not, as has sometimes been said, the offspring of capitalism. But it was found in certain aspects of later Puritanism a tonic which braced its energies and fortified its already vigorous temper (Tawney, 1960: 1965). In addition to instilling the importance of education, discipline, an ascetic ways of life, and keeping a standard of morality, one of the most important teachings of Puritanism is the viewpoint of hard work, which is influenced by work ethics, also called the Protestant Ethics. This teaching motivates people to work hard and to be materially successful. This work ethic comes from the Puritan colonies in New England, as a result of their faith that material success is a sign of something that is loved by God. Those who are materially successful and are able to become people who are beneficial people are “the elect” or “the chosen people” who would be admitted into heaven (Levine and Adelman 1994: 255). So people at that time would engage themselves in competition to work hard to become chosen to be able to enter heaven. This spiritual value is what Weber considers to be a supporting variable of the appearance of capitalism in the 17th century. Meanwhile, the American values that culturally support the broader spread of capitalism are values like personal control over the environment, change, control over time, individualism and privacy, self-help, action and work orientation, and materialism. Capitalism often brings a better life than socialism. Positive values such as hard work, democracy, and competition are characteristic of capitalism. The American core culture which gives a chance for people to achieve their highest dreams is also a positive value of capitalism because it appreciates hard work and individual achievement. Successful individuals become more attentive to the difficulties faced by other people.

5. Modern Capitalism and its Effects

The development of modern capitalism has strayed from Weber's Calvinism thesis. The character of modern, the post-Calvinist, capitalism is an ideology that has forgotten its basic ideas. Modern capitalism also has become a killer capitalism that has strayed from religious teachings and values that had originated the capitalism in the first place. What is present is a worshiping to capital funds and a culture of consumerism in the form of hedonistic behaviors oriented on the achievement of material happiness and not towards the positive values of capitalism. In developing countries, the middle class people as a product of capitalism fail to become the agent of transformation of democratic values. In developed countries they are successful, but in developing countries this does not happen, because the middle class in developing countries, in particular in Indonesia, can only implement a superficial capitalism that only shows its outer layer. The concrete examples are the parliament members, who on the outside appear to have identities of capitalism, like luxury cars, jackets, ties, cell phones, and trips abroad, without the fundamental values of capitalism such as a hard-working ethic, discipline, a simple life, upholding morals, and social awareness.

The spirit of pure capitalism fails to enter developing countries, especially Indonesia, because of the local culture that does not support the positive values of capitalism. According to Koentjaraningrat, Indonesian people have a mentality that underestimates quality, likes to bypass, does not believe in oneself, lacks pure discipline, and ignores responsibility. Muchtar Lubis adds that the people of Indonesia are hypocritical (pretentious), unwilling to be responsible for their actions, feudalistic (likes to please), superstitious, artistic, and weak in character (afraid of healthy competition) (Feri, in *Fashion dan Sikap Spiritual (Fashion and Spiritualistic Behavior)* in *Jawa Pos*, Monday, 7 November 2005). In contrast to American values, if those values are reversed, then the results are Indonesian values like surrender to fate; keeping old traditions; not being timely; socially structured by levels; mutual cooperation, not being independent; oriented to the past; oriented to status (being orientation); formality; indirect, closed, dishonest; and spiritualism. The failure of the entrance of the positive values of capitalism into Southeast Asia occurs because in addition to the local culture which does not support pure capitalism, when capitalism enters developing countries, especially those in Southeast Asia, it transforms to a worse form. In Southeast Asia, capitalism grows not as a product of hard work, high work ethics, and the spirit of entrepreneurship, but grows from the collusion between leaders and entrepreneurs. In Southeast Asian countries, capitalism is the product of a mutual symbiosis between rent seekers and government actors as a determiner of political economy policies which gives facilities to capitalists.

In his book entitled *The Rise of Ersatz Capitalism in South-East Asia (Kapitalisme Semu Asia Tenggara)*, Yoshihara Kunio (1990) calls this kind of capitalism an “ersatz capitalism”, which means a replacement capitalism that is worse or inferior. In formerly socialist countries, capitalism is also unable to solve the problems people face in daily life. They are used to living in a climate of socialism where everything was provided by the government. German unification did not necessarily solve problems because the cultural gap between the west and the east, where the east was not used to a climate of competition. Even though they come from the same ethnic background and use the same language of German, the cultural values they have are different. Capitalism is also considered to decay people. It triggers consumerism which creates an even wider rift between the rich and the poor. Some people see capitalism as a way of obtaining something that has not been obtained before. The destruction of the environment because of industrialization, and also high unemployment rates because of mechanization, are other effects of modern capitalism. Capitalism is also the cause of dehumanization because within the concept of capitalism people are only valued as rows of statistical figures and a market object for industrial products. And the most serious effect of modern capitalism is the structured impoverishment of the people who are not able to compete in that system of capitalism. In his book titled *The End of Poverty* (2005), Jeffrey Sachs says that such an extreme poverty situation is marked by the absence of six kinds of capital: (1) human capital, (2) business capital, (3) infrastructure, (4) natural capital, (5) public institutional capital, and (6) knowledge capital. In turn this causes poor people to be caught in a “poverty trap”. This is a situation that is very dire. Even though the poor people want to escape poverty, they could not do so by their own strength. This can be analogized with a set of stairs. How can someone get up the stairs if that person cannot even get on the first step? (Wibowo, in *Akhir Neoliberalisme Sachs?*): Kompas, Monday, 23 October 2005).

Dehumanization, especially in family values, is one of impacts of the rise of modern capitalism. Price (2003, online) says that in capitalist society, where people only recognize the value of commodities, this resulted in women seeking to participate in the production of commodities in order for their labor to be recognized as valuable. The labor of raising a family is valuable, but our capitalist system does not recognize it as such, because it is not a commodity. Capitalism is, therefore, resulting in the transformation of family development into commodities. Instead of a woman or man staying home to raise children, they go to work, where their labor is quantified and returned to them in the form of a paycheck, which is recognized by themselves and society as a measure of self-worth. Price (2003) adds that the issues for the family go well beyond this however. The biggest issue really is that, ultimately, shared labor creates social bonds. This is a sociological and psychological fact. When people labor together to produce something that they feel is valuable, this creates a bond between those people. Capitalism destroys those social bonds by transforming labor into a commodity and by externalizing our productive efforts outside our family and community units. We no longer live and work together as family members and neighbors, and this is perhaps one of the most corrosive social problems faced by capitalist societies today. The sense of community is inherent in shared labor, in fact some argue that a community is defined by its sharing of labor. Traditionally, throughout all time prior people lived and worked together in close proximity to one another.

The counter movement to modern capitalism and globalization is happening everywhere, even though it is sporadic and in different intensities. The World Social Forum held in Mumbai in January 2005 and the three meetings that preceded it denounce economic globalization because it creates a high social discrepancy between those who have access to the system and those who do not. The forum opposes globalization which is dominated by neoliberal viewpoints (online). Several radical religious groups like Hizbut Tahrir Indonesia (HTI) also consider capitalism as an enemy because it represents Western culture which they oppose. Even three presidents from South American countries – Fidel Castro of Cuba, Hugo Chavez of Venezuela, and Evo Morales of Bolivia – together oppose the United States which they consider identical to a representative symbol of capitalism.

6. Conclusion

From the above explanation some conclusions can be made. Capitalism is not just an economic system, but more than that, capitalism is a cultural system which exhibits a value system inside. Aside from the positive values contained in pure capitalism such as a hard-working ethic, competition, democratization, and appreciation for work and achievement, capitalism which has transformed into modern capitalism has brought about many negative effects such as consumerism, hedonism, social discrepancy, and structural impoverishment. The capitalism which once originated from the noble values of Puritan spiritualism now has changed into a system that creates a wide social discrepancy.

Thus, has the initial question posed by this paper been answered? The question still remains to be discussed by us all.

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