

The Discourse of Returning the Indonesian Economy in the Spirit of Democracy

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ABSTRACT: Since Indonesia's independence, there has been a change in the structure of the state and government that establish the different economic policies according to the era. The old order establish socialistic economic politics, and libelistics in the new order era. In the reform era, with a very significant change in the government system, namely the implementation of a decentralized system and regional autonomy, it was apparently not followed by economic change and financial politic that provided opportunities and support for the Economic Democracy. Absolutely, the principle of a market economy is still needed within the framework of national efficiency and competitiveness. Indonesia is dealing with regional economic geopolitics, namely the ASEAN economic community (MEA) amidst very poor conditions, namely, poverty, unemployment, economic disparity and education between classes or between regions.

KEYWORDS: democracy, economy, region, government system, ASEAN

I. INTRODUCTION

The changing of power from the colonial government to Indonesian government has not yet encouraged the growth of social justice. Although the country has a vast homeland and abundant natural resources, the social legacy of colonialism still continues with the preservation of inequality in control of economic resources [1]. Java was the most technologically integrated and modern economy between Bengal and Japan in 1900. Industrial revolution technology has been applied to communication and transportation networks, huge export-oriented public that need most of the land on Java, irrigation systems, metalworking, heavy-duty industries, production of middle-class urban consumption goods, construction of materials such as bricks and wood, and general facilities such as gas and electricity [2]. Outside Singapore and Penang in any other place and Southeast Asia, they do not have what Indonesia has. In the midst of modernization, the people of Bumiputera remain in a subordinate position that experiences poverty and duping [3]. The interests of colonialism made technology more used to support the means of exploitation of natural and human resources [4].

If the colonial economy made use of feudal power so that its operations extended to the villages, in the era of independence large (local and foreign) investors supported by the nation's own elite continued to dominate economic resources [5]. In 1950s, the nationalist elite began to plunge into national entrepreneurs through import and production licensing facilities, while the development of the Economic Democracy such as cooperatives for the peasants was a priority. On one hand, Sukarno's ambition since 1927 was that the Indonesian people took care of themselves (self help), it was realized in 1958 through the nationalization of various foreign companies [6]. On the other hand, many of the results of the nationalization of military rule became the forerunner of including the business world.

The new order caused investors to carry out large-scale activities in the plantation, mining, industrial and forestry sectors. Many farmers and indigenous groups lost their land. Urban informal sector opportunities are limited through evictions [7]. A lot of small people experience protelarisation that is trapped in a cycle of poverty. Customary rights over economic resources are increasingly marginalized, as reflected in terms of land

tenure by large investors who ignore the existence of customary land. In Papua, Aceh and Riau, which continue to be dredged by the mining natural resources, many members of the community struggle in poverty [8]. In Kalimantan, forest tenure rights (HPH), plantation permits, and mining rights are granted to a number of local and foreign entrepreneurs without considering customary rights that exist in local communities. In Java Island since the colonial era communal lands have increasingly disappeared.

II. NATIONAL UNITY AND SOCIAL JUSTICE

From what has been explained above, it can be seen that the issues of "national unity" and "social justice" are actually very close and side by side. Without social justice, national unity will be difficult to maintain because of the emergence of dissatisfaction with the development model put forth by the government [9]. This will continue to emerge in various regions and groups of people. Empowerment of the Economic Democracy through integralistic partnerships is part of the constitutional mandate to realize equitable social justice for all people. In other words, empowering the Economic Democracy is a constitutional obligation for all parties, not just a social responsibility or a call for social solidarity [10].

In this regard, the agenda for the empowerment of the Economic Democracy must also refer to the concept of one economic unity, Indonesia's economic democracy, and the idealization of economic structure balance and the structure of business. However, it is already inadequate if empowerment efforts are not at the same time associated with new realities of the global economy which are characterized by increasingly sharp competition [11].

The above condition becomes a condition that makes the agenda of economic democracy empowerment at the same time perceived as a bet of resilience and independence. This becomes very important in order to avoid big and strong groups, while the smaller and weaker groups are getting worse. The national economy in this position is precisely tested for its resilience amidst the swift current of globalization which is a new reality of the world economy [12].

The agenda of empowering the Economic Democracy in realizing a strong, independent, and highly competitive national economy must at least be linked to three crucial things. First, the consequences of new realities in the global economy. Secondly, there is an institutional basis of national economic institutions as a nation, consisting of the main economic actors, policy makers, and rules and policies concerning the economy, trade and investment [13]. Third, the cultural basis which includes values, content, mindset, and behavior in driving economic and business processes themselves [14].



Figure 1. Poverty in Indonesia

Figure 1 shows poverty in Indonesia. A change in poverty needs transforming the structure, systems, skills and paradigms of human resources, as well as political policy. Then there must be a genuine political will to provide legitimacy and commitment to the state which ensures the desired changes are implemented as the final means.

The essence of Pancasila economy implementation as well as Article 33 of 1945 Constitution is a togetherness based on trust and mutual benefit. This is the economic foundation that must be used as a nation's competitiveness. The principle of togetherness and synergy between economic actors through equal partnerships (in terms of rights and obligations) can be the basis in developing the nation's competitiveness. Large business entities, both BUMS and BUMN, have been in the forefront in the form of more advanced and independent management. Thus, it needs a regulation, supervision and incentives from the government so that the management of the country's wealth for the greatest prosperity of the people can be realized [23].

The prosperity of a country is very dependent on the effective role played by its economic actors through its business entities. It is an economic agent who can mobilize and create added value from economic resources effectively. The government must play a role in creating regulations and supervision of BUMA and BUMS, while managing policies and taking sides to BUMN, BUMD, and BUMR to compete positively.

Cooperative Corporation and UMKM as BUMR can only be used as a solution to the weak structure of cooperatives, UMKM can be used as economic agents that have an equal position to other business entities in accordance with the Pancasila economic empowerment strategy [24]. This equality is not only because it is structured in the form of the same legal entity, but also has a bargaining position to synergy and cooperate with large businesses, the rationale is as follows:

1. Having economic scale based on the principles of efficient business management;
2. Production is adjusted to the needs of markets or industries that use raw materials supplied from BUMR members;
3. Become a professionally managed business organization to have an existence and even sustainable growth;
4. The presence of BUMR is a solution to provide quality raw materials for large industries on an ongoing basis;
5. A partnership between BUMR and big business is created because they both need each other and can work together and communicate in the same wave;
6. BUMR in the agricultural sector can access inclusive sources of funding to increase productivity as well as national food security.

The ability to adapt the regulations of business sector is an absolute thing that must be done by BUMR to be able to grow and develop. Business starts from markets, therefore, the BUMR model approach begins with market management both national and international or trade as a major effort to manage dynamic markets. It is the industry and or large-scale business that determines the quantity and quality of raw material supplies sourced from producers, including farmer groups, fishermen, craftsmen, and others, which are coordinated in the structure and management system of BUMR.

BUMR system is a model that should be considered in building a people-based economy. Popular economy is characterized by alignments with the people interest at large. The maximum use of natural resources, technological resources, capital resources, and human resources for the welfare of the people as a whole. Economic Democracy requires the active role of the government to regulate the utilization of existing natural resources for the maximum benefit of the people, so that it will provide equal opportunities in enjoying the results of the shared natural wealth.

A brave leader, firm, strong, and visionary is needed in the government to apply this principle. This leader is capable of bringing together large capital owners who are willing to share profits proportionally for the people interest with the principle of synergy between the owners of capital and the people at large. The government that applies this principle is a government that is in favor of the people, so that it will prosper the people.

Actually the Economic Democracy or Pancasila economy was conceived by the founding fathers of our nation namely Sukarno and Bung Hatta, Sukarno through anti-colonialism and his capitalism and Bung Hatta with his cooperation. The cooperative proved successful in sustaining the Indonesian economy. Because there were many political conflicts between allies and communists which were marked by the resignation of Bung Karno, cooperatives only became trivialized and only used as a place for politicization, so that multinational corporation controlled all natural resources. The most significant impact of the emergence of multinational corporation is the increasing poverty amid Indonesia's natural resource wealth. Historically, this Economic Democracy has succeeded in helping the founding of the Indonesian people, since foreign companies were nationalized, the people with the support of the government built cooperatives as a tool to realize economic self-reliant goals. This Economic Democracy was proven to be able to improve the country's economy through the growth and development of cooperatives, for example in 1953 there were 8,223 existing cooperatives, credit

cooperatives as the largest cooperatives. While the remaining 1,234 units of production cooperatives, consisting of 700 farmer cooperatives, 225 industrial and handicraft cooperatives, 93 fisheries cooperatives, 20 livestock cooperatives, and around 199 other production cooperatives.

IV. CONCLUSION

The discourse of returning the Indonesian economy in the spirit of Pancasila was the result of reflection and response to the reality of the Indonesian economy which was increasingly pressed on the global market. Efforts to apply the values of the Pancasila as the ultimate goal of national development is our obligation as citizens, because by practicing Pancasila as an ideology, we must practice every precepts, namely: the first and second precepts as the moral basis, the third and the fourth precepts as the method of work and the fifth precepts as the ultimate goal of practice. Popular economy grows from the noble values of the Indonesian nation, and Economic Democracy is a form of manifestation of the basic values of the Republic of Indonesia in the form of social justice for all Indonesian people and 1945 Constitution in particular article 33. The Economic Democracy or Pancasila economy is an economic system imbued by Pancasila ideology, namely the economic system which is a joint venture based on kinship and mutual cooperation.

V. REFERENCES

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