

## **DEMOKRASI EKONOMI INDONESIA: DEBAT, PELUANG DAN TANTANGAN**

### **INDONESIAN ECONOMIC DEMOCRACY: DEBATES, OPPORTUNITIES AND CHALLENGES**

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#### **ABSTRAK**

*Orientasi Demokrasi Ekonomi Pancasila dalam implementasinya menghadapi kendala budaya dan psikologis yang sangat berat. Paradigma demokrasi dalam sistem ekonomi yang hingga kini belum menunjukkan hasil yang memuaskan. Situasinya justru sebaliknya, yang mempraktikkan demokrasi kapitalis liberal. Oleh karena itu, artikel ini akan membahas Demokrasi Ekonomi sebagai sistem ekonomi Indonesia. Penelitian ini adalah penelitian perpustakaan dengan pendekatan deskriptif kualitatif dengan metode pengumpulan data dokumentasi dari berbagai artikel jurnal, buku-buku dan sumber lainnya, kemudian dianalisis dengan analisis isi. Hasil penelitian adalah keseimbangan perencanaan antara tingkat nasional dan tingkat desentralisasi dalam melaksanakan kegiatan ekonomi untuk mencapai keadilan ekonomi dan sosial. Selain itu, Indonesia juga dapat membangun fondasi yang lebih rasional dari kekhasan kegiatan ekonomi sehingga tidak terbatas pada nilai-nilai agama, tetapi melibatkan kesadaran kognitif untuk mewujudkan cita-cita sebagaimana dinyatakan dalam Pembukaan UUD 1945. Kemampuan saat ini dianggap sebagai kelemahan, yang suatu hari nanti bisa menjadi kekuatan besar sehingga tidak hanya berani tampil beda dan takut gagal.*

**Kata Kunci:** *Indonesia; Demokrasi Ekonomi; Konsep dan Kegagalan*

#### **ABSTRACT**

The Pancasila Economic Democracy's adoption encountered significant cultural and psychological barriers. Democratic economic models have not yet produced sufficient outcomes. Contrarily, liberal capitalistic democracy is being practiced in this context. This article discusses Economic Democracy as Indonesia's economic system. This research is a library with a descriptive approach that collects documentation data from various articles and books and analyzed it through content analysis. This research's results must balance planning between national and decentralization levels in implementing economic activities to reach economic and social justice. In addition, Indonesia can also build a more rational foundation of the peculiarities of economic activity so that it is not limited to religious values but involves cognitive awareness to realize ideals as stated in the Preamble of the UUD 1945. Current capability is viewed as a deficit that could become a tremendous strength in the future so that individuals will not be frightened of being different or taking risks.

**Keyword:** *Indonesia; Economic Democracy; The Concept and Reality of Failure.*

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## INTRODUCTION

In the history of the development of the world economy, economic imbalances have occurred, both in the socialist and capitalist economic systems. The thinking of the Socialist Economic System has emerged since the 16th century, which is referred to as utopian socialism. The sharp polarization between the rich and the poor in the socio-economic structure of British society in the 16th century gave rise to various criticisms of the concept of utopia socialism. This idea was a direct response to the early stages of the development of capitalism, including those previously systematically conceptualized by Adam Smith in 1776. Prominent advocates of utopian socialism include; Thomas More (1478-1535), Tomasso Campanella (1568-1639), Franscis Bacon (1560-1626) and developed by Robert Owen (1771-1858), Charles Fourer (1772-1837) and Louis Blanc (1811-1882).

The importance of restoring economic democracy as the basis of the national economy so that it can restore the people's expectations of an economic system that is just and provides a wider space for the development of life as a large number of people will not separate the national economy from strengthening democratic governments that are directors of the running of the national economy. Without a strong government that can distribute economic rights and obligations fairly, a democratic economy will be difficult to realize. Indonesia's experience shows that the democratization process has not fully shown a positive direction for strengthening the government. Article

33 explicitly describes how the economic structure seen from business ownership is regulated fairly based on the constitution.

Managing natural wealth requires a system of economic democracy, which can cover the interests of all the people of Indonesia. The economic, democratic system is a people's economy, which is an economic system composed of, by and for the people (Bhudianto, 2012). It is stated in the explanation of Article 33 of UUD 1945 (before the amendment) that production is carried out by and for all and under the leadership or ownership of community members. Community welfare takes precedence over individual welfare. Therefore, the economy is structured as a Joint venture based on kinship.

Many models of modern economic democracy are adopted by countries around the world, including the model of conservative democracy, liberal democracy, and social democracy. Mohamad Hatta explained that Indonesian democracy is a people's stamp democracy, where the basis of democracy is based on popular sovereignty. In Indonesia, this economic democracy is based on the Pancasila philosophy (Gunawan & Wahyudi, 2020). Power and government must reflect from conscience in carrying out the tasks of managing the state.

According to Hermanto, a great deal of state-owned wealth has been privatized/privatized, instead sold to foreign parties, and many foreign parties play a role by controlling the economy in Indonesia, especially natural resources that are vital for the interests of the people at large, which must be regulated and controlled by the

State. With these existing problems, the elaboration of Article 33 of the 1945 Constitution becomes blurred as to what is meant by a joint venture, the principle of kinship is important for the State controls the livelihood of many people, and is controlled by the State (Hermanto, 2018).

## **METHODOLOGY**

This research is library research with a descriptive approach, Opinions like this put forward by Cresswell (Creswell, 2008), which describes or explains the Contemporary Issues of Indonesian Economic Democracy: Between The Concept and Reality. The research data collection method uses the documentation method and various articles and books. It was then analyzed using the content analysis method, which analyses library data that is a descriptive or scientific analysis of a premium message (Smith, 2010).

## **RESULTS AND DISCUSSION**

### **Economic Democracy System**

When talking about the economic system, it is the same as all aspects of people's behaviour and life. In other words, speaking of the economic system, it is generally based on three things; (1) the underlying philosophy, (2) the system of ownership of national resources and assets, and (3) the mechanism of resource allocation and implementation of the national production and distribution process (Triuwono & Yustika, 2003).

Because a system is a whole Institution that lives in a society that is made demands by the community in achieving the goals set, then a system will affect the patterns of thinking and

acting of the people who are in the system and will become a norm or value judgment for the community (Hamid, 2004). In Western theory, democracy has two meanings, namely (1) as political democracy or state administration, which focuses on how people participate in government affairs and (2) as a social or economic democracy that focuses on equal rights in the social and economic fields. The principle of economic democracy is born along with the existence of the Welfare State (Sylvie, 2014). The existing concepts and practices of the Political State and Legal State have caused a lot of misery for the people, especially those with weak economic groups.

The economic system is the economic conception of a country to overcome various problems, such as goods that should be produced, how to produce goods and for whom the goods are produced or how the goods are distributed to the public. For this reason, efforts are needed to determine a country's economic system (DPR, 2004).

The economic system of liberalism and individualism has created an unequal distribution of income, instability in economic life, the concentration of economic power to enable monopoly, exploitation of people and with their wealth, the bourgeoisie succeeded in placing its representatives in Parliament, and those who make rules to become state law that the government will implement. Then automatically, the rules made are more in favour of the interests of the bourgeoisie.

Because of this, the mid 19th century in Western Europe gave birth to social problems, namely the demand to stop social inequality within the

economic system. The old rule of law was replaced by a new and more dynamic concept of the rule of law known as the Welfare State (Rahadjo, 2016). In this concept, the state must not be passive but must participate in community activities so that people's welfare is guaranteed. The government must protect its citizens both in the political, social and economical (Ibrahim, 2007). If the state wants to develop a national economic system, it must be under the ideology adopted because the economic system and ideological ideology are interrelated. Because the ideology of the Indonesian people is Pancasila, the Indonesian economic system that is built must be in harmony with Pancasila (Hamid, 2004).

Discussing the Indonesian economic system, the Pancasila economic system (Rahadjo, 1997) is synonymous with economic democracy. According to Mubyarto, economic democracy is a Pancasila democracy that has characteristics including; *First*, the Pancasila economy is driven by economic, social and moral stimuli. *Second*, the Pancasila economy has to do with God, so there is social solidarity in Pancasila. *Third*, the Pancasila economy is related to the unity of Indonesia, which means nationalism animates economic policies. *Fourth*, the Pancasila economic system is firm, and there is a clear balance between central planning and the pressure on the decentralization of the implementation of activities in the economy (Mubyarto, 2001).

The formulation in Article 33 of UUD 1945, according to Dawam Rahardjo, illustrates the vision of the idealized Indonesian economic system. It is a perfect picture of an alternative system to capitalism and communism. The Indonesian economic system is

based on Article 33 of UUD 1945, which is based on the Preamble of UUD 1945 and is supported by Articles 18, 23, 27 paragraph (2) and Article 34 of UUD 1945. The Pancasila economic system is an economic system that is oriented and has an insight into the principles of Pancasila (Rahadjo, 2016).

The existence of Articles 27 and 33 of UUD1945 is a guide and legal basis for the Indonesian economic system (Sopater, 1998). According to Teguh Sulistia, in the two articles, five principles are in touch with law and economics, namely (1) the principle of equality before the law; (2) the principle of humanity; (3) family principle; (4) the principle of benefits and (5) the principle of balance (Sulistia, 2006).

The founding father compiled the five principles of the Indonesian economy to realize a prosperous society. Therefore, the national development of the Indonesian nation is the development of the whole person and the development of all the people of Indonesia, in the sense that in addition to the fields of human needs to be developed, they must be balanced materially and spiritually the development must be equitable (Mubyarto, 2001). To achieve that, must direct the development strategy towards empowering the people's economy (Bobo, 2003). The direction is that all carry-out production is under the leadership and ownership of the community.

A development system that empowers the people's economy is a strategy to carry out economic diplomacy. In other words, economic development requires clear popular characteristics. The GBHN 1993 states that popular economic development wants broad participation from the

whole community both in terms of participating in the economic development process itself and in terms of participating in enjoying the results of economic development (Tribowo and Bahagijo 2006; Nugraha 2004).

According to Jimly Assiddiqie, the meaning of economic democracy, is the ideological demands of national economic politics need to strengthen the people's economy. Economic democracy is the sovereignty of the people over the national economy and the foundation of the implementation of the national economy with the principles of togetherness, fair efficiency, sustainability, environmentally sound, independence and maintaining the balance of progress and unity of the national economy to realize the greatest prosperity of the Indonesian people (Assiddiqie, 2007).

Since the amendment to Article 33 of UUD 1945, there has been a shift in the meaning contained previously. In paragraph (4) of Article 33 of UUD 1945 (Post amendment), the word economic democracy has reappeared. The understanding has changed because the word economic democracy has been placed as just one paragraph in Article 33 of UUD 1945 (Rahardjo, 2009).

According to Jimly Assiddiqie, Article 33 paragraph (4) is very clear in developing the notion of democracy which contains not only political but also economical. That is, the people of Indonesia are sovereign in the political field but also must be sovereign in the economic field (Assiddiqie, 2007). This is in line with Ginandjar Kartasasmita's opinion that Indonesian politics must understand democracy accompanied by economic democracy because it wants to ensure that the state realizes social

justice for all people (Kartasasmita 2007; Murtadho 2016).

According to Sri Edi Swasono, that Article 33 of UUD 1945 is a "giant". The stipulation of Article 33 of UUD 1945 is a determination of independence to replace the colonial principle, togetherness with the principle of kinship (mutualism and brotherhood or *ukhuwah*). Reject Adam Smith's free market, liberalism and innovative hand. He wants active state intervention to safeguard and guarantee that the Indonesian economy is truly for the prosperity of the people (Swasono, 2007).

The debate about the form and mechanism of the implementation of the national economic system based on the ideology and value system of the Pancasila actually began since the days of preparation for independence. The debate was finally written into a number of Articles in UUD 1945. This article eventually became the basis of the national consensus on the building and mechanism of the implementation of the national economic system called the populist economic system. In the GBHN 1993 it was stated that the intended community economic development wanted broad participation from the entire community both in terms of participating in the process of economic development and enjoying the results of economic development.

The term populist economy can be referred to in the GBHN 1999-2004, and there is also in Proopenas 2000-2004, which provides direction for the implementation of a populist economic system, which is developing a populist economic system that relies on equitable market mechanisms with the principles

of fair competition and takes into account economic growth, values of justice, social interests, quality of life, environmentally sustainable and sustainable development so that equal opportunities are guaranteed in business and work, protection of consumer rights, and fair treatment for the whole community. The populist economic system is based on a specific premises of human behavior, that is, behavior that is in line with Pancasila, of course human behavior which becomes capitalist and socialist beliefs becomes inadequate in articulating the populist economic system. The populist economic system is built on the assumption that humans are free entities whose rights and obligations are placed in a common interest of the community. In general, the meaning is that Indonesian people will be more meaningful if they do something for the community. Thus, the mechanism adopted by the populist economic system is not based on pure private ownership, but also does not adhere to state ownership, but is a special form that is able to bridge personal rights with the interests of society as a whole (Maulidizen, 2018).

### **Principles of Economic Democracy**

According to Soeharsono Sagir, each country's economy must operate according to a certain system. The system adopted by Indonesia as the basis for development is a populist economic system. In this system, the idea of economic democracy is in the hands of the people (Assiddiqie 2007; Seff 2010). In economic democracy, there are several principles;

#### **1. The principle of togetherness**

With the principle of togetherness in Article 33 paragraph

(4), it must be understood in a broad sense, not in an organic sense, in the form of economic agents who must form a cooperative in the sense of a narrow business entity. In addition, with the principle of togetherness, the principle of kinship is not misused in terms of family systems that have negative connotations as reflected in the practices of corruption, collusion and nepotism in the New Order era (Asshiddiqie, 2009).

#### **2. The Principle of Fair Efficiency**

According to Mardiasno, efficiency is achieving maximum output with certain inputs. Input is a resource used for implementing a policy, program or activity (Mardiasno, 2009). The principle of efficiency, in Article 33 paragraph (4) of UUD 1945, is combined with the principle of Justice. The existence of this principle of efficiency ignited diverse responses from several scholars. One of them is Didiek J Rachbini, who said that even with the principle of efficiency, this could provide economic growth rates that can develop more quickly (Prasetyo, 2012).

According to Jimly Asshiddiqie, the addition of Article 33 paragraph (4), which contains the new principles, is intended so that the provisions of the Constitution are not misused. Pancasila and UUD 1945 Constitution require balance in all aspects of state life. The ideal balance includes a balance between competition and cooperation. The one-sided principle prioritizes efficiency, but on the other hand, it must guarantee Justice (Asshiddiqie, 2009).

A M Fatwa said that must allocate existing resources efficiently

to support healthy national economic growth and achieve Justice (Fatwa, 2009). According to Thomas Aquinas, Justice is needed to regulate relations between people. This Justice consists of three areas, namely (1) distributive justice, which regulates general matters, (2) cumulative Justice, which regulates Justice that may arise in the act of exchange (not the same as an act of revenge) and (3) legal Justice, which regulates the whole of the two previous Justice in the rule of law (Cahyadi and Manullang 2007; Rawls 2007; Winarno 2005).

### 3. Principles of Sustainability and Environmental Insight

There are two concepts related to the idea of ecosystems, namely the national economy based on democracy must contain principles: (1) sustainable and (2) environmentally sound (Asshiddiqie, 2010). By itself, all ecosystems, as referred to in Article 33 paragraph (3), as interpreted extensively and creatively by various laws in the environmental field, must be managed for the benefit of development based on sustainable development and have an insightful perspective (pro-environment).

### 4. Principle of Independence and Maintaining National Economic Balance, Progress, and Unity

The principle that is no less important is the principle of independence and maintaining the balance and unity of the national economy. The world economy is interdependent as an undeniable necessity. But the normative principle of independence requires that we are not dependent on debt, investment and others (Prasetyo,

2012). Thus, the legislation in the investment sector, an instrument to encourage investment, must be outward-looking. But it still places a sovereign government over Indonesia's natural resources and can regulate according to the interests of the Indonesian people (Asshiddiqie, 2010).

### **Economic Democracy According to the mandate of the UUD 1945**

Indonesian economy has been structured through "economic development planning" since independence. In 1947 the Economic Strategy Thinking Committee was established as a forerunner to the planning body, which later became the DEPERNAS and then permanently changed to BAPPENAS. Economic development planning to advance public welfare, realize social justice for all Indonesian people, and strengthen national economic unity to increase national security. For this reason, the constitution stipulates imperatively: "The economy is structured as a joint effort based on the principle of kinship". The words "structured economy" means that the economy is not left to be organized according to the tastes and desires of the market (Swasono, 2017).

The Indonesian people's founders prepared an economy based on social welfare. The Indonesian economic system adheres to a democratic economy or popular economy, which is then called the Pancasila Economy because this system was born from the noble values of the Indonesian Nation.

At the opening of the law, it was stated that "independence is the right of all nations". This statement is about the

sovereignty and independence of the Indonesian people to manage their people, including to manage their economic potential. The statement "colonialism over the world must be abolished" is a statement of the liberation of Indonesia from the intervention of other nations, including economic sovereignty. The goal is that Indonesia leads to independence and sovereignty, the people get justice and prosperity in their country, protect the Nation, advance public welfare and educate the Nation.

The economic characteristics of Pancasila, according to Mubyarto, are (1) The wheels of the economy are driven by economic, social and moral; (2) The strong will of the whole society towards equality; (3) The priority of economic policy is the creation of a strong national, which means that nationalism animates every economic policy; (4) Cooperatives are the most concrete form of joint effort; (5) there is a clear and decisive balance between planning at the national level with decentralization in the implementation of economic activities to ensure economic and social justice (Swasono, 2007).

Whereas Sri Edi Swasono revealed the morality of religion and described the Pancasila economic system as an economic system oriented to the Pancasila precepts. Oriented to (1) the Almighty God, namely the existence or entry into force of religious ethics and morals, not materialism; (2) Fair and Civilized Humanity, that is, not recognizing extortion between people, exploitation and economic subordination; (3) Unity, that is togetherness, kinship, cooperation, mutual promotion and not mutually killing nationalism; (4) democracy,

namely economic democracy, economic sovereignty, and prioritizing the lives of many people; (5) Social justice, namely equality, equality, and prosperity of the people, primarily not individual prosperity (Swasono, 2017).

From the mandate of the UUD 1945, it can be seen that the Indonesian people are guaranteed prosperity, natural resources are managed for the prosperity of the people, and the state maintains the poor and abandoned children. But the reality is different, and there are still many poor people. The people are paid below the social security standard, which does not guarantee foreigners manage natural resources and managers of this Nation betray the mandate given by UUD 1945.

### **Economic Democracy in the Grip of Globalization**

Globalization is a process of interconnection that continues to increase among various communities so that events in a country affect other countries and communities. A globalized world is a world where politics, economics, culture and society are increasingly intertwined and is a world where those events have a greater impact. Globalization as liberalization, which refers to the process of eradicating various political restrictions so that the world economy becomes open and without limits and globalization as westernization, namely the spread of the entire Western modernity structure concerning capitalism, rationalism, industrialism and others that tend to damage the local culture that pre-existing (Rais, 2008).

The economic liberalization process that began during the New Order and entered the second stage in the 1990s often raises concerns about the effects



that could damage the economic, democratic system. Reasons for concern include; *First*, the role of the state as an economic regulator is reduced; *Second*, the role of the state and cooperative sectors is relatively declining concerning the private sector; *Third*, economic liberalization can provide a way for the entry of foreign economic forces that dominate the Indonesian economy; and *Fourth*, liberalization can lead to a widening gap between powerful economic actors and the people's economy.

From historical experience, empirically, it can be seen that the state's oversized role can lead to cooperative dependence on the Government, even the dependence of small private economic actors on government assistance and development programs. On the other hand, the state's very strong role in supporting BUMN, for example, with capital and monopoly rights, actually creates inefficiencies in BUMN. Several BUMN, even more BUMD, are judged to be unhealthy or less healthy in business. More than that, several BUMNs that serve the people's needs cannot provide adequate services. However, from the experience of other countries, such as Singapore and Malaysia, state-owned companies can work efficiently and develop resilient economic units. In that country, the state sector must compete with other business entities. Government intervention is maintained at a minimum. In other words, BUMN has broad autonomy. In Indonesia, the performance of several state-owned companies is now beginning to be quite good (Maulidizen, 2019).

Some of the keys that can develop BUMN in Indonesia are; *First*, BUMN is

given sufficient autonomy in decision-making. In this case, BUMN is not much mixed with frequent intervention by the Government. *Second*, the principle of professionalism is applied in BUMN, meaning companies are supported by people who are experts in their fields and receive adequate incentives. *Third*, BUMN is allowed to compete in the free market and compete. The essence of economic democracy is the broadest possible economic participation by economic actors consisting of the cooperative, state and private sectors. The three of them must work together and form a partnership. Economic democracy requires equality of business opportunities, especially for small or beginners can lead to equal distribution of community income. Economic democracy requires a dynamic balance between economic agents. All that requires a weak and small empowerment program by the Government. Economic liberalization aims to reduce the role of the state.

### **Empirical Reality of Economic Democracy in Indonesia**

Indonesia was the first developing country to introduce the term economic democracy in 1945. Moh Hatta saw the reality at that time in which Indonesia's economic activity was practically only driven by a handful of people who were close to the centre of power or people who were already rich because they were given facilities during the colonial period (Suseno, 1995). This is considered not ideal because it ignores the participation of a large group of Indonesian people. Therefore, Hatta said, democracy should not only be applied in politics but also the economy so that all Indonesian people can

participate in economic activities (Suseno, 1995).

### **Pancasila Economic Democracy Orientation**

Rational and expressive efforts shown by Hatta must be appreciated. He looked closely at what people experienced and felt in the early days of independence. Hatta's efforts then paid off with the inclusion of the spirit of economic democracy in the national legal system (specifically termed the spirit of the Pancasila Economy), namely in UUD 1945, particularly Article 23, 27 paragraphs (2), 33 and 34. [3] In that article, an orientation was formulated Hatta's intended economic democracy was the Indonesian version of a socialist economy. Indonesian socialist economy was based on religious socialism (Hatta, 1963).

Moh Hatta argued that Indonesians had no difficulty understanding religious socialism because almost all Indonesians were religious. The values of religious socialism are very familiar to the daily lives of Indonesians. According to Hatta, Indonesian socialism arises from three factors: (1) Religious coercion, meaning religious ethics that want Indonesians to live, please help, there is a sense of brotherhood, justice, mutual respect and others. This value is supported by religions in Indonesia so that socialism that was previously foreign has now gained legitimacy to influence the order of thought and behaviour of the people, (2) Indonesian Socialism is an expression of the Indonesian people's rebellious soul that was previously colonized by other nations. They get very unfair treatment from invaders. So as soon as socialism comes, they no longer care where socialism comes

from. Indonesians easily accept the humanist style of socialism. It has a special place in the Preamble to UUD 1945, and (3) Socialism is a demand of soul and inner vibration of conscience, which religious values have supported from the beginning.

From these three points, Indonesia's socialist economy is oriented to the value of God, which is realized through ethics and moral teachings of religion. Thus if sorted, humanity is just and civilized; do not know extortion and exploitation, unity; kinship, togetherness, nationalism and economic patriotism, democracy; prioritizing the economy of the people, social justice; there is equal treatment for all, the primary prosperity of the people and not the prosperity of a few people (Swasono, 1988).

### **Obstacles to the Implementation of Pancasila Economic Democracy.**

The Pancasila Economic Democracy Orientation described above seems to have severe cultural and psychological constraints in its implementation. Rational and objective efforts from figures such as Moh Hatta, Prof. Mubyarto, Robert A. Dahl, Prof. Sri Edi Swasono, Wilopo, Widjojo Nitisastro, Prof. Frans Magnis Suseno and many other figures to include democratic paradigms in the economic system have yet to show results that have yet to show results. Satisfying. The situation is exactly the opposite, which is practising liberal capitalistic democracy.

According to Damianus identified three main obstacles, namely; First, the minimum standards for implementing democracy have not yet been met, namely;

1. The low level of education.

This results in a low level of public appreciation of the paradigm of democracy, including democracy in the economic context. Democracy is limited to traditional religious values that are "given". Suppose there is an attitude of solidarity, tolerance, and respect for others. In that case, it is not because of the will of the Indonesian people to do all that but because of carrying out religious obligations. Fighting for democratic values requires an understanding of living together and how one can build relationships with others (Rueschemeyer, Stephens, & Stephens, 1992).

2. The low level of public welfare (low wealth).

If the level of welfare of the community is low, the poor population will naturally increase. If they are poor, all of their time is spent looking for food, and they will not care about other people, let alone relating to the country's economic affairs. Poverty will also trigger an increase in crime and crime. Every turn of leaders, both national and local, can be used to create trouble. Thus, the value of respect for others will disappear and not get a place.

3. The middle class is small.

In contrast, the middle class can be an agent of change in the country. They are, in fact, very moderate because as an intermediary between ordinary people and the elite. They generally become good supporters of democracy (Hali, 2001).

The above standards are commonly used in the discourse of democracy in the political field. Still, because Indonesia uses the term democracy in

economic activities, these standards cannot be underestimated and even should be a major concern. *Second*, psychological burden related to the economy is part of the movement of capitalism (Hali 2001; Plano and Roy 1998).

We know that capitalism is already suspected and even considered evil because it is exploitative and hegemonistic. So at that time, democracy was suspected as a manifestation of capitalism. Consequently, Indonesia will not truly or half-heartedly implement democracy, especially in the economic field. *Third*, if we compare the Pancasila Economic Democracy theory in Indonesia with experience. We realize that the Indonesian people lived far longer under colonialism than in the realm of independence. The invaders have kept the souls of the Indonesian people for a long time rather than their own. Therefore, the residual behaviour of colonialism and feudalism is still very strongly attached to the people of Indonesia. The rest of this behaviour can be one of the obstacles that hinder the implementation of the Pancasila Economy orientation in Indonesia (Hali 2001; Swasono 1988).

**Reaffirming Economic Sovereignty.**

Revrisond Baswir formulated that there are ten democratic economic, and political agendas that must be carried out, namely; (Baswir, 2009)

1. Arrange the architecture of good state financial governance, increase regional financial capacity and ensure maximum use of state spending for the prosperity of the people.

2. Renegotiate payments and fight to eliminate a portion of foreign debt to reduce pressure on the state expenditure and balance of payments. The manufacturing process is laden with the manipulation of creditors, while its use tends to be distorted by powerful officials to enrich themselves. Furthermore, the making of new foreign debt must be stopped because, so far, foreign debt seems to be aimed at maintaining the balance of payments and for various projects facilitating foreign investment. In addition to being of no benefit to improving people's welfare, the debt trap has made the economy increasingly mired.
  3. Negotiating mining contracts that harm Indonesia with foreign contractors because mining contracts since the Soeharto era so that now not only harm Indonesia but are dictated by foreign contractors and ignore the fulfillment of basic rights of the community.
  4. Reviewing the application of the floating exchange rate regime and the free foreign exchange regime and rearranging the national banking architecture.
  5. Economize and democratize BUMN implementation because BUMN managers tend to be dominated by central government officials. The dominance of these government officials results in the poor quality of BUMN services and the impact of turning BUMN into cash cows for the authorities. Learning from Malaysia and Singapore, a BUMN was formed by a Holding Company.
  6. Protect and advance the basic rights of workers as mandated by Article 27 paragraph 2 of UUD 1945 and 28 D paragraph 2, namely that every citizen has the right to work and livelihood that is secure for humanity, as well as to receive fair and appropriate compensation and treatment in work relations.
  7. Carrying out agrarian reform, namely upholding the people's uprightness in Agri governance to realize agrarian justice in the true sense. Following the mandate of Article 33 of UUD 1945 and Article 2 of the 1960 Agrarian Reform Act, the state has the right to regulate the allocation, use, supply, and maintenance of agricultural land for the prosperity of the people. [2]Strengthening the people's economy through the development of cooperatives
  8. Strengthen and develop the domestic market
  9. Develop social institutions for the poor and displaced children who are spread evenly throughout the territory of Indonesia as mandated by Article 33 of UUD 1945.
- The ten programs above must certainly be done so that this nation can achieve great prosperity and prosperity for the community not only as a discourse, especially as a sweetener of political campaigns, but very urgently to be carried out (Ruslina 2012; Sulaiman 2019).

## CONCLUSIONS

Economic globalization has implications such as politics, ecology, and sociology. Economic liberalization in its development can lead to a liberal economic system. The role of the state also contains dilemmas. The state must

control capital. If Indonesia wants to develop its economy, it must map its weaknesses because vulnerability can be an entry point to grow new strengths in the economic field. In addition, Indonesia can also build a more rational and unique foundation of economic activity so that it is not limited to religious values but involves cognitive awareness to fight for all the ideals, as stated in the Preamble of UUD 1945. can be a great force so that you don't just dare to be different and fear failure.

The results of this research are expected to add to the treasures and knowledge related to the Pancasila democratic economy, which is the basis for the government in making policies in various fields.

The results of this research are also recommended specifically for the government to make policies more impartial for the interests and good of society to create a fair distribution for all Indonesian people.

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