INDONESIA'S ECONOMIC DEVELOPMENT POLICY AS IMPLEMENTATION OF PANCASILA AS THE IDENTITY OF INDONESIA

Muhammad Gunawan Wibisono¹, Atika Purnama², Fitri Al Istiqomah³

Abstract
Identity of Indonesian economic development has always become a focus within the period of Indonesian leader. Every leader has their own operation to drive the development of Indonesian economic and it can’t be consider indonesia has one economy development system which right or left. This paper is trying to discuss about Indonesia’s economic development system which cannot be said as a country that uses one of the two economic systems. By trying to analyze it from the development of the Indonesian economy from each era that connects it with the decision-making process of leaders which eventually becomes a economic system identity that only Indonesia has. The system called as Pancasila economic system which will explain here and it connection with Indonesia leader in making decision and identity of Indonesia itself.

Keywords: Identity, Economic development, Pancasila

Introduction
Indonesia has changed its president seven times. Through the each era of president Indonesia have different system of economic development. At the Soekarno's regime Indonesian policy makers responded to economic domination by attempting to copy multi-party democracy, and by attempting, to some degree, to play by the rules of global capitalism. Sukarno had supplemented the basic form of his Guided Democracy by instituting Guided Economy (McCormack, 1999). When Sukarno's Guided Democracy and Guided Economy framed development in a culture of nationalism, Soeharto's references to nationalism framed within a culture of global capitalism, and were used in the service of the capitalist world system (McCormack, 1999). Indonesia has turbulence in economic development when economic and political crisis happened in 1998. B.J

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Habibie replaced President Soerharto and take action to reforms of domestic and foreign trade policies, the development of anti-monopoly and consumer protection laws, and the decentralisation of fiscal and regulatory authority. Under Habibie a populist program to distribute government largesse to cooperatives and small business and the extraction of election campaign funds from banks dependent on state authority (Marks, 2009). On the Abdurrahman Wahid (Gus Dur) era the economic development guided by the Broad Outline of State Policy which is in between right and left, because the economic development not only supported by the IMF as economic institution but also driven to strengthen agriculture, increasing small and medium enterprise and reform civil services (Soesastro, 2000).

Not much differences with Gus Dur, Megawati drive the economic development into short, mid and long term plan that seems to be a controlled economy, with redistribution of wealth and emphasis on economic self-sufficiency. While the policies are still vague and where the elite has stolen amounts of money and missuse it, Megawati wants to demonstrate that she cares about the people. In article “Megawati Finally Reveals Her Policies” (1999), mentioned that Megawati has cited the Japanese system as a prime example of attaining economic power while maintaining national identity. The sixth president of Indonesia is Susilo Bambang Yudhoyono (SBY) that drive economic development tend to be friendly with west. He drive Indonesian foreign policy with having a million friends and zero enemies. He also wants to modernise the presidency and has slotted a West Wing-style team of young, often foreign-educated, advisers into crucial positions, this ever stated according to Al-Jazeera (Hays, 2015). Nowadays Indonesia led by Joko Widodo (Jokowi) as President, He drives economic development mostly to realising infrastructure. Eve Waburton (2016) state that Jokowi’s developmentalism is marked by contradiction. His promise of liberal reform is accompanied by a renewed commitment to the statist-nationalist economic model. He promises private sector and foreign investors, he will casts his economic reform packages as a ‘big bang’ deregulation program. And to the Indonesian public promises, the administration is careful to emphasise that deregulation is not a turn toward liberalisation (Warburton, 2016).

The old concept of economic development between left or right define as the left state to propose of government intervention in the economic development within increase
of public capacity building such as improvement on labor and using the domestic nature (Therien, 2002). On the example of the left economic development prefer on agricultural sector and making the dependency with the outcome to the public (Therien, 2002). Beliefs on market mechanism with the biggest priority and commodity such as capitalism or manufacturing expansion in state.

As the old concept on economic development between left and right have many modification as the modernization concept between The Progressive Capitalism and The New Socialism (Pakpahan, 2015). The Progressive Capitalism or as new concept of the right come from the United State of America crisis on the Eurozone in 2008 (Pakpahan, 2015). United State of America making a concept as The Progressive Capitalism define the institution liberalism on intervening market, so the constitutional law promoting to economic intervention basis on the prejudice law. In this economic development making to strenghten the state as the example modernization manufacture like multinational or transnational company. The new left concept or The New Socialism define the state capitalism on highly priority on the non material nature outcome to promote the public development with the state as invisible hand intervention on making the commodity manufacturing to regulate the market and regulating people to face the market (Pakpahan, 2015). In this concept has the similiarity on neoliberalism but the codifiaction on public development and the state as the manufactured.

In this argue between the old nor the new concept on the defining the left and right economic development can define the implementation in Indonesia as third world country. From the historical context on economic development in Indonesia. Indonesia has disparity nor identity on economic development between left or right. As confidential condition between domestic and international factor, Indonesia has face with the decision making indirect criticise the old or new economic development concept between left or right.

Back again in historical contex in the Soekarno regime on the particulary independence of Indonesia facing with the left on economic development. The Soekarno regime has a potential in Indonesia become the communist with the fact Soekarno as the first president had cooperate with USSR rather than United State of America. The lack of relationship between Indonesia and United State of America become the reason on economic development prefer on the left. After the fallen of Soekarno and the rise of
Soeharto become The Father of Development can change the coordinate become the highly right. As the implementation of the economic development with the anti communist adjective in this regime become the fact Indonesia as the third world country become disparity. Because of this inconsistency many problem and bigger case facing on domestic implementation such as corruption, the lack of market stability. But in this Soeharto regime must admit on the highly right on economic development can build the infrastructure and public development ones. Habibie as the next shortly regime after the fallen of United State of Indonesia concept give the biggest impact of the coordinate between left or right in economic development. The Autonomy Region separated in Indonesia become the biggest impact and criticize this concept. The democratic institution as the constitution of Indonesia inadvertent critize the concept of left and right economic development and the advantages from inconcistency choosing between left or right. We can affirm the cause of the inconcistency because rationality and adaptive changes from domestical condition and international condition.

The international condition affects in Indonesia seems hardly to choose as the first of the economic crisis in Southeast Asia in Indonesia giving the solution to change the economic sector and expand the manufactured (Noone, 2011). In 1950 become the first government policy focused on self sufficient the agricultural sector with changing the economic sector into industrialization (Noone, 2011). In 1960s according to industrialization happen in Indonesia especially in Java giving the impact on urbanization. The change of economic sector as the first happened and continously until nowadays. Javacentrism refer to inequality development between Java and other regions in Indonesia because the massive of the urbanization and Soeharto effect.

After the economic crisis in Southeast Asia and the changing of economic sectors Indonesia become the largest GDP in worlwide compared with the second largest of the population. The gap before the economic crisis and after the event give the attention graphic faster beyond the calculating.
Table 1: (Noone, 2011)

<table>
<thead>
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<tbody>
<tr>
<td>Growth%</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Real GDP</td>
<td>2.0</td>
<td>7.5</td>
<td>7.2</td>
<td>-6.4</td>
<td>5.2</td>
</tr>
<tr>
<td>Real GDP per capita</td>
<td>-0.5</td>
<td>4.9</td>
<td>5.3</td>
<td>-7.7</td>
<td>40</td>
</tr>
<tr>
<td>GDP deflator</td>
<td>291</td>
<td>25</td>
<td>8</td>
<td>34</td>
<td>12</td>
</tr>
<tr>
<td>Population</td>
<td>2.5</td>
<td>2.4</td>
<td>1.7</td>
<td>1.3</td>
<td>1.2</td>
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<tr>
<td>Share of world%</td>
<td></td>
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<tr>
<td>GDP%</td>
<td>0.4</td>
<td>1.0</td>
<td>1.4</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Population</td>
<td>3.2</td>
<td>3.4</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
</tr>
</tbody>
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(a) Average annual rate
(b) End of period
(c) On a purchasing power parity basis
Source: IMF, Penn World Table version 7.0, World Bank

Graphic 2: (Noone, 2011)
The share between Indonesia and the world in GDP define the advantage of the commodity highly income after the changing of economic sector in Indonesia. This proven the International condition give the impact to state policy within the concept of left or right no longer useful. As the simple idea about the left model define the agricultural sector as the implementation. Indonesia become the country give the balance between manufacture and agriculture sector.
The balance between the agricultural and manufacturing output define the dependency between state purpose and public purpose. Such as stockmarket in the agricultural output with the balance of manufactured technology and other developments. (Noone, 2011) Indonesia accelerate the ration on GDP between balancing on agricultural sector and the manufacturing production per 30%. The solution problem between the gap in industrialisation of the economic Indonesia government with the pursued policy to face the market liberation. The international condition Indonesia can afford the left and right development on nature resource and public manufactured.

<table>
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<tr>
<th>Exports to Indonesia</th>
<th>Imports from Indonesia</th>
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<tbody>
<tr>
<td>Cereals</td>
<td>Petroleum</td>
</tr>
<tr>
<td>Travel services</td>
<td>Travel services</td>
</tr>
<tr>
<td>Non-ferrous metals</td>
<td>Gold</td>
</tr>
<tr>
<td>Petroleum</td>
<td>Telecommunications equipment</td>
</tr>
<tr>
<td>Live animals</td>
<td>Transport services</td>
</tr>
<tr>
<td>Textile fibres</td>
<td>Wood</td>
</tr>
<tr>
<td>Meat</td>
<td>Metal manufactures</td>
</tr>
<tr>
<td>Dairy</td>
<td>Electrical machinery</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6 007</strong></td>
</tr>
</tbody>
</table>

Source: ABS

From the external condition such international market with the implementation of the right Indonesia has solution on criticise the concept of the left and right economic development. The output and the input from the economic development such as the export
and import factor. Indonesia and Australia bilateral economic helping the stockmarket and defining the right about international institutionalism. The export from Indonesia giving output of natural resource in 2010-2011 data. As Indonesia on lack of raw material and the solution from this case to Import the raw material from the Australia and expand the source of manufacturing.

President as the regime give the biggest impact in domestic factor with the inconsistency. Before Jokowi elected in 2014 the strategies on economic development can be define as the left model like the guarantee to all people about life prosperity divided in 3 Kartu Sakti into health, education and poverty (International Institute for Sustainable Development, 2015). In manufacturing nature resource in Indonesia Jokowi had a plan to build Tol Laut as the tracking system connected into regions from the sea International Institute for Sustainable Development, 2015). The highly priority about public Jokowi and his party Partai Demokrasi Indonesia Perjuangan win the election. In the period 2014-2019 Jokowi regime has political unconsciousness on economic development decision making (International Institute for Sustainable Development, 2015). The implementation of the concept between the left or right model in Jokowi regime are no longer useful. Once again, as the third world Indonesia adaptively cause benefit of domestic factor. The example Jokowi regime focus on building the infrastructure especially on transportation can define as state intervention in market system. Jokowi regime combining the manufacturing natural resource and state intevention as invisible hand to build facility as much as possible. Javacentrism the skeptical development in Indonesia towardly equal to other regions such as Papua.
The domestic factors from Indonesia compared to right on concept of economic development about investment and cooperate with industry in this regime was the highest investment rather than the former regimes. The fact in this combination concept give the good result that Indonesia is the highest ration on GDP per Capita (Soesmanto, 2018).

The evidences and the explanation above can be a critic and approve about the concept between the left or right on economic development construction is no longer use. Indonesia as the third world country could be inconsistent about the method and choosing on economic development between the left or right. We found basic concept that fit in Indonesia called Pancasila economic system. It define as the direction and the factor separated into two factors international condition as the external factor can relate to international market, institution regulations and cooperation between other state actors or non state actors. In domestic factor the highly impact to coordinate the economic development was the government especially President or dominance party and the secondary factor was the investment system. Indonesia Conceccuss on economic development can adaptively in processing with those two factors and making the decision making to regulate economic development.

It is mean Indonesia has their own way to address economic development Indonesia which is not far with the policy making process. Indonesia’s way to address economic development called as Pancasila based Economy or Pancasila Economy System.
that does not just appear in Indonesia. But Pancasila has become Indonesia's main identity in the state and community. Emphasize that Pancasila is Indonesia's philosophy or ways on life. Pancasila is the main foundation of Indonesia or guidance conducting relations with other countries in the international arena. In other words, Pancasila is one of the considerations of policy makers in making foreign policies as ideal foundation, along with UUD 1945 as constitutional foundation, and operational foundation based on how the operation of Indonesian leaders who lead in a certain era must be in accordance with Indonesia's national interest (Wuryandari, 2016).

Pancasila is a normative system that requires Indonesia to behave in accordance with the values it has (Marktanner & Wilson, 2015). These values pour into five precepts where is mentioning in opening of UUD 1945 as follows: (1) Belief in one God, (2) Just and civilized humanity, (3) Indonesian unity, (4) Democracy under the wise guidance of representative consultations, and (5) Social justice for all the peoples of Indonesia. In addition, the core of this system is also very closely related to Indonesian cultural values that uphold family values and contained in article 33 section 1 UUD 1945, that “Economy is built as a joint venture based on family principles.” Based on this, we can see why Indonesian leader in making policies in the economic field must think about the benefit of society.

Case in Indonesia, when leader are making policy on economy, they should use this guidance and make policy which can benefits the economic growth where it should be distributed based on social justice principles. Another words, the policy should more benefits its own people. Example, Indonesia a national health insurance system, which in Jokowi era there is Kartu Indonesia (Indonesian Health Card) and Kartu Indonesia Pintar (Indonesian Smart Card) that given to poor family (Pakpahan, 2015). Also this system, with the family principles can give a role to non-actor state to contributes in economy, which is government of Indonesia can have a cooperation with company, NGO, or IGO to run its economy.

Indonesia’s economic activities based on Pancasila cannot be said based on system from right or left because Pancasila can be said to be a combination of the two systems. But the Pancasila economic system can be a form of Indonesia's response to the global economy that requires Indonesia to behave in accordance with foreign policy.
guidelines (Pakpahan, 2015). Where it can stand in Pancasila model which Indonesia can focus on economic development in the community and open up market opportunities by conducting diplomacy and economic cooperation with other countries. Also those economy activity done by Indonesia above can describe as describes Indonesia as trying to implement a world peace mission which was contained in the opening of the UUD 1945. The implementation of the Pancasila economic system itself is also inseparable from Indonesia's free and active foreign policy principles. So that in every Indonesian government or President who leads Indonesia, despite having different economic policies and foreign policies in operationalization they remain on the same foundation which become identity of Indonesian’s economic development.
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Hays, J. (2015, June). *Indonesia Under Yudhoyono (2004-2014)*. Retrieved from Fact and Details: ndonesia is facing a strategic environment where no country perceives Indonesia as an enemy and there is no country which Indonesia considers an enemy. Thus Indonesia can exercise its foreign policy freely in all directions, having a million friends and z

