

Implementation of Pancasila Economic System Based on Sustainable Development Based on Kinship

Amstrong Harefa^{1*}, Jesslyn Elisandra Harefa²

Universitas Nias, Gunungsitoli, Indonesia^{1*}

Universitas Sumatera Utara, Medan, Indonesia²

Email : amstrongharefa12@gmail.com^{1*}, jesslynharefa19@gmail.com²

Abstract

The Pancasila economic system aims to renew the national economy in a structured, systematic, and massive manner by ensuring constitutional freedom in sustainable development based on family values to improve the quality of human life. The research formulates an effective strategy to implement the Pancasila Economic System within sustainable development, identifying challenges and obstacles and evaluating the impact of its family-based approach. This study employs literature research, collecting data through reviews of books, articles, journals, and relevant internet sources. The data collection tool is document research, and the data is analyzed qualitatively. Results indicate that an effective strategy for implementing the Pancasila economic system involves stakeholder and government involvement in policy-making, using a conceptual foundation to guide development. The system faces challenges such as global competition, foreign cultural influences, and technological transformation. To address these, collaboration among the government, private sector, and community is essential. For economic progress, the Pancasila economic democracy should be implemented based on kinship principles, emphasizing ethical, democratic values and a social sense of kinship among economic actors.

Keywords: Pancasila Economy, Sustainable Development, Familiation

Introduction

The Pancasila economy is a system that uses the precepts of Pancasila as its philosophy (Eviyana, 2020). In simple terms, the Pancasila economy can also be said to be a controlled market economic system. The Pancasila economic system is built within the framework of the spirit of kinship, cooperation and mutual cooperation with the intention of achieving an economy that can improve the welfare of the people both in the regions and at the central level of the state government (Tome, 2020).

The idea of economic strategy embraced in the Pancasila economic system is like a pendulum of a clock that always rotates from left to right until it reaches the point of equilibrium. From the left means that there is state or government intervention, from the right it means that it is free to adjust to the development of market flows (Nguyen & Bui, 2022). On the other hand, the existence of the Pancasila Economy is in principle based on the precepts in Pancasila. In the sense that the Pancasila Economic System is actually managed and controlled by the government or better known as the controlled market economy, (Eva Nur Eviyana, et al, 2020). The Pancasila economic system is based on the concept of kinship and supported by the spirit of mutual cooperation. This means that

this economic system does not only focus on regional economic development, but also aims for the welfare of the Indonesian people as a whole (Tome, 2020).

The principles of the Pancasila Economic System that can be carried out are as follows (Marsudi & Purbasari, 2022): The pace of state economic activity is influenced by economic, moral and social stimulus; There is a strong desire of every citizen to realize social equality and prevent economic inequality and try to eliminate social inequality; fostering economic nationalism to give birth to a strong, independent and resilient state economy; Economic democratization oriented to the active participation of every citizen based on family; creating a balance of harmonization, efficiency and justice in the national development planning of the economy and providing space for broad, free, and responsible autonomy. With the existence of the Pancasila economic system, it can strengthen the unity of the nation through the process of mutual cooperation by providing equal economic access to all citizens (Silaban, 2023). With the Pancasila economic system, all elements of society are connected by integrated and comprehensive national economic guidelines so that all Indonesian people feel social justice. Therefore, the government must immediately implement all policies through efforts and interventions in development management in all fields as well as provide solutions to every problem faced, so that the procession to achieve the development of the realization of Golden Indonesia 2045 can continue, (Deliabilda et al., 2021).

Philosophically, the goal of Indonesia's national development is enshrined in the Preamble to the 1945 Constitution stated about the protection of all Indonesian people including the earth, water and natural resources, improving people's welfare, advancing the world of education to educate every citizen, and also the state always takes part in the world order through free and active Indonesian politics, (Alisjahbana, 2018).

The ideology of Pancasila as implied in the 1945 Constitution reveals that the national economy always contains the principles of justice and equity, welfare and common prosperity based on family. The Pancasila economic ideology basically has ideas and ideas as well as principles for managing and building the national economy in a total and sustainable manner. Pancasila and the goal of sustainable development as a form of social contract have been fully implemented (beyond expectations) both in composition and instrumental role, (Pangestu et al., 2021).

Considering that the Pancasila economic system prioritizes the principle of kinship, the Pancasila economic system is always associated with people's welfare efforts, so this principle is also the basis for sustainable development. By ensuring equal economic access for all citizens through the Pancasila economic system, the unity of the nation can be strengthened through the process of mutual cooperation. The role of Pancasila in the development of the national economy is to combine the strength of small and medium economic units and resources as the basis for production and distribution, based on the principle of synergy and mutual progress. In the Pancasila economic system, all elements of society are connected through an integrated and comprehensive national economic policy so that all Indonesian people feel a sense of social justice, (Darwin et al., 2024).

Thinking about the Pancasila economy continues to develop in all aspects. It will not stop even if it is considered too slow by some amateurs or too slow by some experts. When the Pancasila economy is carefully implemented in a socially equitable manner, it is certain that the people when they are in the realm of market management will certainly not be easily affected by capital-intensive sectors in unhealthy competition. The impact of inconsistency on the market with social justice, the fact is that many countries with

smaller economies collapse and cannot survive in the global space and experience failures in the management of the market system. Therefore, it is best to avoid the free market in Indonesia, instead implementing a well-managed market economic system. This means that the government must be able to control the market and carry out various market interventions, especially when the interests of the state and society are compromised., (Pangestu et al., 2021).

However, the reality in practice is that the government prioritizes the conglomerates more, namely responding to their requests or demands under the pretext that the conglomerates pay their taxes more than the lower classes, and they are even given the space and opportunity to obtain certain positions in the government. The advice of the implementation of the Pancasila economy should be oriented towards a sense of family, not just leaning towards profit and economic satisfaction (utility) (Marsudi & Purbasari, 2022).

According to Hatta, the first Vice President and Father of Indonesian Cooperatives, the national economy is based on Pancasila with a sense of mutual cooperation, kinship and cooperation as mandated in Article 33 of the 1945 Constitution. To realize a national economy based on Pancasila, it should be prioritized from five commandments that are characteristic, including: a) In decision-making in the economic field, it reflects the guidance of religious teachings and ethical values; b) Economic development based on the values of the people's economy; c) Each institution that manages the economy is agreed upon through consensus deliberation; d) All important production is always under the control of the state to achieve the welfare of the people; e) All natural resources of Indonesia remain under the control of the state; f) The State recognizes individual property rights but still pays attention to the public interest; g) Supporting the strengthening of the people's economy in the regions, but always prioritizing greater interests; h) poor and abandoned children in the care of the state; (Library of the Republic of Indonesia, 2024).

Research Methods

Research methods are needed to advance the field of science and technology, (Juliardi et al., 2023). Bambang Sungono said that scientific research is a research activity that finds objectively, which a conclusion must be based on a clear, systematic, and controlled way, by collecting valid evidence to become its basis, (Djulaeka & Devi Rahayu, 2020). What the research method wants to achieve can be said to be the development of a field of science. On the other hand, legal research is a scientific analysis of cases, problems, or various legal phenomena by using certain methods, systems, and considerations to find and provide legal solutions to the case, (Suyanto, 2023).

The research method used is a literature research method using a qualitative research approach. In solving problems in this research, certain techniques are applied that are managed systematically, so that answers to each question that have been set are obtained. As a follow-up to the solution to the problems faced, data was collected from several scientific papers through the results of a critical and in-depth study of several research materials. However, the author must first ascertain where the source of the information was obtained. The sources of information used in this study are in the form of textbooks, articles, academic journals, the internet and several sources that are still considered relevant (Ahmad et al., 2024).

In this study, the author uses a type of research, namely normative juridical, meaning that a set of legal regulations and legal provisions (law in books) is presented or

in the form of rules that have been conceptualized based on the behavior of people who are considered worthy, (Juliardi et al., 2023). Normative legal research is based on several legal sources, both primary and secondary, namely obtained from several provisions contained in legal provisions (Qamar & Rezah, 2020). Meanwhile, secondary data is obtained from literature studies, books or previous research. In addition, secondary data such as law books, official documents, and opinions are obtained from the results of special research in the form of academic works such as books, theses, magazines, articles, and the internet (Atikah, 2022).

The data collection technique in this literature research is by carrying out review research on books, notes, reports and several literature, of course, which are related to the problems faced to be solved. This method is necessary for the purpose of obtaining evidence or written opinions of experts through several literatures, of course, related to the problem being researched. This literature review method is carried out by sorting articles in the form of other legal provisions, books, journals, other academic papers, and also from internet sites that are considered still relevant as the problem being explored from this research. The data collection tool in this research realm is using document research, (Ali, 2021).

The data analysis used in this writing is qualitative data analysis. In turn, qualitative data analysis sniffs out data manipulation, organization, categorization into units that can be processed, synthesis, search and capture polarization, related identification needed to be considered, then informed to others about what they should do so that they are capable of presenting information (Marune, 2023). The way to write a research paper using qualitative analysis involves a more detailed analysis of other laws and regulations, books, and academic papers related to the issues being discussed in this writing and using narrative language, namely by presenting it in the form of narrative form of explanation. Therefore, from the analysis in the form of explanation, the questions discussed in this study can be answered in the form of conclusions.

Results and Discussion

Effective Strategies to Implement the Pancasila Economic System in the Framework of Sustainable Development

Basically, the concept of sustainable development is determined so that the needs of the community are met without having to sacrifice the interests of future generations. The sustainable development approach is intended to achieve harmony and balance between social welfare, environmental sustainability and economic growth. This sustainable development can improve the welfare of life. Welfare is one of the concepts of sustainable development. In addition to these concepts, other concepts are also being promoted, such as development that aims to increase renewable natural resources and preserve or maintain the quality of life of the community now and in the future. The next concept is to make the best use of natural resources so as not to produce waste and not cause negative impacts on the environment. The latter concept will ensure that natural resources are well managed and future-proof.

The main principles of sustainable development include economic sustainability, namely sustainable economic development, namely creating jobs, increasing income and improving the quality of life without damaging the natural resources that are the basis of economic growth; sustainability preserves the environment, namely the protection and preservation of the natural environment, especially policies in the use of natural resources and the reduction of negative effects on the environment, including in terms of reducing

greenhouse gas emissions, maintaining biological variability and treating waste effectively and efficiently. Good economic continuity will build an inclusive and equitable society when social disparities are reduced, citizens' human rights are upheld, and equal opportunities and access to every available resource is provided.

Sustainable development aims to integrate these three dimensions into policy planning and implementation so that the results of development can be enjoyed by the current generation and also the next generation in the future. Internationally, this concept has been promoted through various initiatives such as the Sustainable Development Goals (SDGs) implemented by the United Nations (UN). The SDGs include 17 interrelated goals to achieve global prosperity by 2030.

That the vision of Golden Indonesia has three keywords, namely "sovereignty, progress and sustainability," which is the dream of the Indonesian nation. Of course, the success of this development is facilitated by the role of the community market. Development to achieve balance and equitable distribution of results at all levels of society is one of the steps to improve the quality of all life goals and improve people's living standards, self-esteem, and sense of belonging (Karunia et al., 2020). Development also means a better life, more open possibilities in all aspects and more attention to people's aspirations. Therefore, the main problems and goals of development are to overcome the problems of poverty, underdevelopment and socio-economic disparities in society. The success of development cannot be judged only by the level of economic growth, but growth must be truly qualified, namely the transfiguration of production composition and the distribution of inputs for all sectors of the economy. This requires the main condition "as a basic premise", namely that Indonesia has sovereignty in the control and management of its natural resources (Wardhana et al., 2024).

Good governance means implementing sound and proportional development management as the essence of proper market democracy, striving to overcome the integrity of investment allocation, avoiding corruption at the political level and administrative services, comprehensive budget discipline, and ensuring budget discipline, and policy setting legal and political framework for the growth and development of business activities, (Kuo & Lee, 2024). The essence of the precepts contained in Pancasila is also the economic rules, in which they are said to be the fundamental values of the life of the Indonesian people even before this concept was agreed upon as the basis of the state. Conceptually, Pancasila economic thought is based on a strong scientific foundation and reflects the values that are part of people's daily lives. What has not been done so far related to the economic concept of Pancasila is what are the prerequisites and parameters that show that the concept is implemented when applied to development planning and implementation. Therefore, in the future, guidelines can be prepared that reflect the application of Pancasila economic principles in development planning and implementation (Wardhana et al., 2024).

Actually, the basis of the Pancasila economic system is a market economy that starts from the achievement of a market economy with social justice, namely by developing and advancing, among others, people's plantations, people's agriculture, people's fisheries and people's livestock. The agricultural sector with Pancasila nuances will certainly support efforts to alleviate poverty for the purpose of achieving people's welfare. It can be said that the Pancasila economy has rules of the game in all economic activities between economic actors based on the ethics and moral values of Pancasila. The goodness of Pancasila should be the basis of humanistic rights that are surrounded by enthusiasm for nationalism and democracy so that a fair market economy can be realized

for every Indonesian citizen, as Karno said that the essence of Pancasila (eka sila) is mutual cooperation or kinship, (Kuo & Lee, 2024).

In order to achieve the distribution of land resources sector, production sector, as well as the provision of roles and opportunities to women, the focus of development should be placed on equality with social justice, but equality cannot be achieved directly. Justice is a concept, relative, and cannot be measured directly, although the ethical aspects of sustainable development are inclusive and equality is increasing in many countries, the income gap between the rich and the poor is widening. Another ethical aspect that must be considered in sustainable development is the future prospects of future generations, which should not be damaged by the activities of the current generation, that is, the development of the current generation must also pay attention to meeting the needs of future generations.

Based on the description stated above, it can be said that sustainability is not a complex concept because there are many things that need to be considered and interrelated in its actions. Considering that the understanding of sustainable development is based on the Pancasila economic system, its improvement is seen as important to achieve development goals, especially for policymakers at both the macro and micro levels. Understanding the concept of sustainable development requires a conceptual or theoretical foundation in its application that can be used as a reference for the direction of development. Therefore, all stakeholders can truly understand and apply various concepts and considerations regarding sustainability aspects, identify them and formulate various strategies that will be a reference to achieve development goals. In order to ensure the continuity of development, government involvement is needed in setting short, medium and long-term development directions and policies.

Challenges and Obstacles in the Implementation of the Pancasila Economic System

The Pancasila economy is an economy that contains the essence of the precepts of Pancasila, so it is appropriate to focus on legal certainty for every citizen to obtain fair treatment in the progress of the national economy. Although in the current era of globalization, the Indonesian state is facing big problems when implementing the family-based justice Pancasila economic system. One of the reasons is that there are still many community members who have beliefs that are not in tune with the mandate of the spirit of Pancasila. Of course, this is an obstacle because of the occurrence of cross-opinions and long debates in the community, especially the number of citizens who do not yet have the awareness to live and practice the values of Pancasila.

The challenges and obstacles in the implementation of the Pancasila economic system are as follows: First, the capitalist economy controls the progress of globalization. Basically, the capitalist economy maximizes efficiency and unlimited competition to reap profits, while the Pancasila economy actually maximizes the balance between the principle of equality and the rate of economic growth. This fundamental intersection is the challenge to the implementation of the Pancasila economic system. Second, the presence of the culture of other countries in the era of globalization that entered Indonesia has become a complicated problem or a real challenge faced by the Pancasila economy. As a result, the application of mutual cooperation and social justice is difficult because many citizens are affected by cross-cultural relations between countries. Therefore, it is demanded that the government should take steps to implement the essential values of Pancasila, so that the community is always guided by the goodness of Pancasila; Third, the advancement of digital transformation technology will be a tough challenge in

realizing the Pancasila economy, which will certainly have an impact on business behavior and the way citizens communicate. Therefore, it is hoped that the government must be selective in socializing the latest technology products, in order to preserve the essential values contained in Pancasila, especially in today's digital era (Simanjuntak et al., 2021).

The Pancasila economic system continues to provide space to answer the challenges and developments of the global and digital economy. The Pancasila economy is the growth of the national economy. The national economy is a basic economy which is one of the branches of Indonesian populism is a populist-based economy, namely an economy that prioritizes the interests of the people, in the sense of an economy that is centered on the people, namely by continuing to provide a balanced and fair place for capital owners. The national economy must always be in harmony or connected to the development of the global economy and the digital economy. The Pancasila economy remains a guideline for just, creative, and cooperative economic growth in order to realize the principle of justice for every Indonesian citizen (Nugroho & Qustulani, 2021).

In order to realize the economic growth of Pancasila in Indonesia, there are various problems of economic progress, especially at the level of productivity that must be addressed, especially in the sources of labor growth, capital and factory productivity, including providing convenience for the middle and lower entrepreneurs. Next, the optimal use of demographic capital, especially by creating jobs for the unemployed and advancing the growth rate of short- and medium-term economic development. When viewed in terms of technology adoption, generally national products for export commodities are still relatively low technology products so that these products lack added value (Sundari et al., 2021).

The world is currently experiencing a mass downturn due to the impact of the coronavirus pandemic some time ago. As a result of this coronavirus, almost all countries are facing economic, social, health and political crises, in addition to the globalization crisis due to the rampant capitalism and liberalism system. But of course, this actually provides space and opportunities for the Indonesian state to manage and utilize natural resources to maintain its sovereignty in the economic field and not only rely on globalization. Now is the time for Indonesia to adhere to Pancasila which started from Soekarno-Hatta and was inherited by the Founding Fathers, then by Emir Salim, Mubyarto, Dawam Rahardjo, and until now by economists such as Didin S. Damanhuri and Erani Justika It is time to return to the economic system. As a unique and authentic economic system, the Pancasila economy is described in the 1945 Constitution Article 33 as the implementation of the fifth precept of Pancasila (Pratomo et al., 2023). The Founding Fathers clearly stated that the State of Indonesia adheres to the Pancasila economic system which emphasizes the national economy based on Pancasila which prioritizes religious teachings, humanity, nationality, democratization and social justice. Development in the field of the Indonesian economy is different from the socialist economy where the state is more powerful in economic entities, as well as in the capitalist economy where the development of the market and individual interests regulate economic behavior.

The Indonesian Chamber of Commerce and Industry (KADIN) said that when a country's economy is managed in a way of high nationalism, there will be collusion between businessmen and rulers through acts of communal monopoly and of course this behavior is not in accordance with ethics in the life of the nation and state. As a result, it will be difficult to achieve the welfare of the people because the behavior of stakeholders

has hurt the social values of justice. That in order to achieve fair and equitable economic politics at all levels of society as demanded by reform, the government through the People's Consultative Assembly of the Republic of Indonesia has issued two Decrees, namely: First, Decree Number XVI/MPR/1998 concerning Political Economy in the Context of Economic Democracy. Mandate provisions regarding strategies and policy directions for the implementation of development in the field of a strong national economy, always provide support and opportunities, as well as the development of people's economic progress including SMEs, cooperatives to be designated as the main pillar of national economic development; second, Decree of the People's Consultative Assembly of the Republic of Indonesia Number IX MPR/2001 concerning Agrarian Reform and Natural Resources Management.

Emphasizing that national economic development based on the utilization of agrarian resources/natural resources including the earth, water, space and natural resources contained in them, must be used as optimally as possible in order to save the present and future generations so that the ideal of realizing a just and prosperous society can be achieved. However, the reality that the implementation of development in the economic sector is still not carried out fairly and equitably, which always sacrifices equality for the sake of achieving economic growth. Every period of government is often prone to pragmatic tendencies so that national goals and the foundation of the constitution are neglected. As a result, a complex economic pattern arises and the exploitation of natural resources is very detrimental, followed by social disparities in the community and market prices that continue to increase sharply, such as the occurrence of a very unequal land tenure gap, where on one side there is one person or one group who controls hundreds of thousands of hectares or even millions of hectares of land. but on the other hand, millions of farmers only have an average of 0.3 hectares and even more do not have land (Rinawati, 2020).

Ironically, stakeholders both in the regions, especially at the central level, tend to prioritize large entrepreneurs with a variety of facilities and opportunities, on the contrary, the middle and lower economic groups do not receive attention or do not get the facilities they should have so that they are far behind for the progress of their business. The realization of social welfare will certainly be more difficult to achieve, when the system of contradictions in the world of politics and the national economy is still maintained and maintained. It is certain that economic disparities and injustices will continue so that the ideals of the nation's struggle for independence become in vain. The biggest challenge for the Pancasila economy is not only globalization, but also the spirituality and quality of officials. No matter how good the concept of the economic order is, it will not achieve maximum results if it is applied by officials who do not have the spirit of nationalism and the spirit of Pancasila.

Based on the explanation above, the national economic system, juridically formally in its galib, has been mandated in the 1945 Constitution in Article 33, and this is the total application of the fifth precept of Pancasila. The founding fathers of this nation have clearly formulated the Indonesian economic system, namely the Pancasila economic system, but not the socialist economic system and not the capitalist economic system. Furthermore, the implementation of the Pancasila Economy in the current era of globalization is faced with a variety of multidimensional challenges and obstacles. Exotic global competition, the entry of foreign cultures, technological advances and digital transformation are all serious challenges that must be anticipated and overcome. To overcome this problem, the government is obliged to make a strategy to take anticipatory

steps that begin with establishing cooperative relations between the private sector, the government and the community. In addition, the government is required to carry out various innovative, adaptive policies based on the essence of the precepts of Pancasila, so that the integrity of the Pancasila economy in welcoming competition at the increasingly superior global level can be well maintained.

The Impact of the Implementation of the Family-Based Pancasila Economic System

National economic development needs to be carried out in harmony with all the precepts of Pancasila, namely the realization of the principle of justice for every citizen, and the impact of the rate of economic growth can be felt to achieve the prosperity of the Indonesian people. National economic development must be carried out according to a family-based economic system based on the spirit of Pancasila and the Indonesian state constitution. Planned and integrated national economic development will create a quality of life on par with other countries. Therefore, for the development of the national economy, the implementation of Pancasila economic democracy must always be realized based on a sense of kinship, (Pratama, 2018).

Basically, in Article 33 of the 1945 Constitution of the Republic of Indonesia, paragraph (1), paragraph (2), and paragraph (3), the Economic Philosophy is contained, namely the principle of family. The family philosophy in question is a social philosophy that is contrary to individualism, socialism, collectivism and radicalism (Bahri, 2023). In paragraph (1) of Article 33, it is emphasized about the economic system that is put in place and made based on joint efforts and based on family. This means that the government has a very strategic influence in regulating, coordinating and developing the national economy. The government must continue to manage the economy in line with the national goal, which is for the greatest welfare of the people (Pratama, 2018).

Hatta, who first laid the foundations of the Indonesian economy, emphasized that the principle of unity in cooperatives is a guideline for the national economy. History records that before the amendment of the 1945 Constitution, in principle, the national economy was based on the principle of kinship, and one of the forms was cooperatives. In another part, Hatta, the originator of his idea, described cooperatives as joint ventures that are synonymous with the culture of Indonesia (Bahri, 2023).

Actually, the pace of the economy is controlled by the moral and social reactions of the community, meaning that economic activities come from patterns and values of positive thinking that manifest rather than core values and are implemented in economic activities. The basic principles of economics are obtained from moral values such as the spirit of community, mutual cooperation, self-control, and tolerance. So that economic activities can only be achieved based on these fundamental values. In another sense, where every person and or whoever he is, he is not justified as a tool or means only to meet the demands of profit, on the contrary, all economic activities are solely for the sake of glorifying human beings. What is meant by egalitarianism here is social equality which presupposes the realization of a sense of family, mutual love for fellow citizens, and the spirit of solidarity. The history of the Indonesian economy records that every citizen has a high level of solidarity when they have a sense of solidarity, but on the contrary, when each individual lives in abundance, their sense of unity and unity is weakened, and this means that the community always lives in suffering without a sense of solidarity with others (Julisetian & Radjab, 2021).

Indonesian society, whose ideology is Pancasila as the core value of life, believes that the morality of economic life is based on the morality of Pancasila. The State of

Indonesia justifies the rights and existence of six religions and also religious traditions as mandated in Article 29, paragraph 2 of the 1945 Constitution. The teachings about the value of goodness are obtained from religion. Even in it it is implied that the traditional cultural values of the Indonesian people come from all tribes which are marked by the creation of tolerance to achieve common targets. So the goal of achieving social equality with justice is for the realization of the welfare of the Indonesian people based on the essence of democratic humanity that is overwhelmed by the spirit of nationalism. In addition, when viewed from the principles and principles used, both the principles and principles of cooperation, property rights, and government intervention synergize with each other (Nugroho & Qustulani, 2021).

Mubyarto in Kompas, 2003, the Pancasila economy is a market economy based on the ideology of Pancasila. This means that the mechanism of economic movement refers to real data from economic achievements and the actions of economists who prioritize ethics, social and democratization (Nugroho & Qustulani, 2021). In another part, Mubyarto said that the Pancasila economy is always consistent and obedient to the essence of the values contained in Pancasila because the Pancasila economy does not require an assessment of its truth but must be applied purely and consistently in all levels of society in Indonesia. In line with Hastangka, that the Pancasila economy is a positive economic science but not normative economics, this is due to a social habit that is a representation of ethical homosocial and economic homogeneity in the economic system based on the principle of kinship. At the level of rural communities where the seeds of the Pancasila economic system have been owned since time immemorial, such as when they carried out a joint venture based on the principle of kinship, (Yuanitasari & Suparto, 2020).

The Pancasila economy has a strategic role as the backbone of the short-, medium-, and long-term development of the Indonesian state. The Pancasila economic system adopted by the Indonesian people is ideal to achieve a just and prosperous society. It is very different from the liberal economic system that prioritizes individualism over the larger interests of the wider community. Likewise, the socialist economic system is only concerned with certain groups but oppresses individual rights. Pancasila starts from humans in general and subjectively is human beings as well. Therefore, the Pancasila economy should be spread into a system based on sustainable development and a family-based economy so that it can realize welfare for all citizens. In principle, the economic system in Indonesia cannot avoid a sense of humanity, therefore development in the economic sector must reject and dispel all forms of unfair competition, and monopolistic behavior that can give birth to acts of oppression, injustice, and the occurrence of misery and suffering for all levels of society. Pancasila as a variant of economic development, is more inclined to the fourth precept, while economic development refers more to the progress of Indonesia's reliable and beneficial economic system (Pangestu et al., 2021).

Based on the description above, it can be stated that planned and integrated national economic development will create an equal distribution of the country's quality of life. Therefore, to build the country's economy, the implementation of Pancasila economic democracy must always be carried out on a familial basis. The mechanism of the Pancasila Economy is based on real data on the Indonesian economy and ethical, social, and democratic actions by economic actors. History shows that before the amendment of the 1945 Constitution, the economy was based on the principle of kinship, the economic system was developed into an economic system based on sustainable development based on family so as to bring prosperity to all Indonesian people. It can be

emphasized that the economic system based on Pancasila is a family-based people's economic system.

Conclusion

The implementation of the Pancasila economic system in sustainable development requires a strategy that ensures government involvement in setting short, medium, and long-term development directions and policies. The goal of sustainable development based on the Pancasila economic system requires a strong theoretical foundation so that stakeholders can understand and apply the concept of sustainability, formulate strategies, and achieve development goals. The challenges of implementing the Pancasila economic system in the era of globalization are increasingly complex with global competition, the entry of foreign cultures, advanced technology, and digital transformation. To overcome this challenge, collaboration between the private sector, the government, and the community is needed, as well as innovative and adaptive policies based on Pancasila values so that economic consistency is maintained. The Pancasila economic system designed by the nation's founders is different from capitalism that relies on individuals and markets, as well as socialism with state domination, but prioritizes the participation of the people through the principles of kinship, mutual cooperation, and cooperation. Sustainable, planned, and integrated national economic development will present the principles of justice and equitable distribution of quality of life. In order to improve the country's economy, it is necessary to apply Pancasila economic democracy based on the principle of kinship, where the sustainability of this system refers to real data on economic achievements through ethical, democratic, and social actions. Before the amendment of the 1945 Constitution, the Pancasila-based economic system existed and took place, so that all Indonesian citizens could enjoy a fair and equitable family-based people's economic system.

REFERENCE

- Ahmad, A., Fachrurrazy, M., Amalia, M., Fauzi, E., Gaol, S. L., Siliwadi, D. N., & Takdir, T. (2024). *Buku Ajar Metode Penelitian & Penulisan Hukum*. PT. Sonpedia Publishing Indonesia.
- Ali, Z. (2021). *Metode penelitian hukum*. Sinar Grafika.
- Alisjahbana, A. S. (2018). *Menyongsong SDGs: kesiapan daerah-daerah di Indonesia*. Unpad Press.
- Atikah, I. (2022). *Metode Penelitian Hukum*.
- Bahri, S. (2023). Ideologi Ekonomi Kerakyatan Mohammad Hatta (Jalan Tengah Teori Merkantilisme Liberalisme dan Marxisme). *Jurnal Masyarakat Dan Desa*, 3(2), 124–150.
- Darwin, D., Ayuni, N., & Ahsari, R. (2024). Pertumbuhan Ekonomi Kota Daeng, Bagaimana Ekonomi Pancasila Dan Pendidikan Ekonomi Memandangnya? *Jurnal Inovasi Pendidikan*, 6(1).
- Deliabilda, S. A., Marlisa, V., Anditya, F. S., Ariana, T., & Dasman, S. (2021). Penerapan Nilai-nilai Ekonomi Pancasila dalam Percepatan Ekonomi Inklusif di Era Society 5.0. *JURNAL EMAS: Ekonomi Manajemen Akuntansi Kewirausahaan*, 1(1), 1–20.
- Djulaeka, S. H., & Devi Rahayu, S. H. (2020). *Buku Ajar: Metode Penelitian Hukum*. Scopindo Media Pustaka.

- Eviyana, E. N. (2020). Pancasila dan Tokoh Pahlawan Indonesia. *Yogyakarta: CV. Bintang Surya Madani*.
- Juliardi, B., Runtuwuwu, Y. B., Musthofa, M. H., TL, A. D., Asriyani, A., Hazmi, R. M., Syahril, M. A. F., Saputra, T. E., Arman, Z., & Rauf, M. A. (2023). *Metode penelitian hukum*. CV. Gita Lentera.
- Julisetian, F., & Radjab, D. (2021). Rekonstruksi Pengembalian Wewenang Penetapan Garis-Garis Besar Haluan Negara Kepada Majelis Permusyawaratan Rakyat. *Limbago: Journal of Constitutional Law, 1*(2), 191–211.
- Karunia, A., Hetika, H., & Harjanti, R. S. (2020). Kajian Strategi Pengembangan Usaha Mikro, Kecil Dan Menengah (UMKM). *Jurnal REP (Riset Ekonomi Pembangunan), 5*(1), 77–89.
- Kuo, N. T., & Lee, C. F. (2024). Public governance and the demand for corporate governance: The role of political institutions. *Research in International Business and Finance, 67*. <https://doi.org/10.1016/j.ribaf.2023.102088>
- Marsudi, K. E. R., & Purbasari, V. A. (2022). Implementasi Sistem Ekonomi Pancasila dalam Kebijakan Pemerintah Indonesia. *Indonesian Journal of Islamic Economics and Finance, 2*(1), 27–42.
- Marune, A. E. M. S. (2023). Metamorfosis metode penelitian hukum: mengarungi eksplorasi yang dinamis. *Civilia: Jurnal Kajian Hukum Dan Pendidikan Kewarganegaraan, 2*(4), 73–81.
- Nguyen, M. L. T., & Bui, N. T. (2022). Government expenditure and economic growth: does the role of corruption control matter? *Heliyon, 8*(10). <https://doi.org/10.1016/j.heliyon.2022.e10822>
- Nugroho, E., & Qustulani, M. (2021). Konsep Ekonomi Pancasila Prof. Dr. Mubyarto Perspektif Hukum Ekonomi Syari'ah. *Jurnal Kajian Hukum Islam, 6*(1), 218–232.
- Pangestu, F. P., Rahmadiani, N. S., Hardiyanti, N. T., & Yusida, E. (2021). Ekonomi Pancasila Sebagai Pedoman Dalam Tujuan Pembangunan Berkelanjutan SDGs (Sustainable Development Goals) 2030. *Prosiding Seminar Nasional Ekonomi Pembangunan, 1*(3), 210–219.
- Pratama, A. R. (2018). Sistem Ekonomi Indonesia dalam Perspektif Pancasila dan Undang-Undang Dasar Negara Republik Indonesia Tahun 1945. *Jurnal Veritas et Justitia, 4*(4).
- Pratomo, M. S., Suprpto, S., Saptano, E., & Almubaroq, H. Z. (2023). Implementasi Sistem Ekonomi Pancasila Pada Manajemen Pertahanan Dapat Meningkatkan Ketahanan Ekonomi Indonesia Di Era Globalisasi. *Nusantara: Jurnal Ilmu Pengetahuan Sosial, 10*(7), 3576–3584.
- Qamar, N., & Rezah, F. S. (2020). *Metode Penelitian Hukum: Doktrinal dan Non-Doktrinal*. CV. Social Politic Genius (SIGn).
- Rinawati, A. (2020). Pancasila dan eksistensi ekonomi kerakyatan dalam menghadapi kapitalisme global. *Jurnal Terapung: Ilmu-Ilmu Sosial, 2*(2).

- Silaban, R. (2023). Reform Business Policy in the Sector Production Cigarettes Based on Pancasila Economic Values and Halal Principles According to Islamic Law. *5th Legal International Conference and Studies (LICS 2022)*, 137–143.
- Simanjuntak, T. H., Mukhlis, I., & Pratama, A. (2021). Demokrasi Ekonomi Pancasila, Ekonomi Berdikari dalam Menghadapi Arus Globalisasi-Revolusi Industri 4.0. *Prosiding Seminar Nasional Ekonomi Pembangunan*, 1(2), 91–108.
- Sundari, A., Asi, Y. S., & Bilgies, A. F. (2021). Peran Filsafat Ilmu Terhadap Ilmu Ekonomi Sebagai Landasan Rekonstruksi Ekonomi Pancasila. *Humanis: Jurnal Ilmu-Ilmu Sosial Dan Humaniora*, 13(2), 179–192.
- Suyanto, S. H. (2023). *Metode Penelitian Hukum Pengantar Penelitian Normatif, Empiris Dan Gabungan*. Unigres Press.
- Tome, A. H. (2020). Membumikan Pancasila: Upaya Pelembagaan Nilai Pancasila Dalam Kehidupan Masyarakat Desa. *Jurnal Al- 'Adl*, 13(1), 118–131.
- Wardhana, I. W., Syahyuti, S., Jamal, E., & Silalahi, S. A. F. (2024). *Urgensi dan Strategi Pengarusutamaan Ekonomi Pancasila dalam Pembangunan Ekonomi Nasional*.
- Yuanitasari, D., & Suparto, S. (2020). Peran Negara Dalam Sistem Ekonomi Kerakyatan Berdasarkan Pancasila Untuk Mewujudkan Kesejahteraan Sosial. *ACTA DIURNAL Jurnal Ilmu Hukum Kenotariatan*, 4(1), 36–51.

Copyright holder:

Amstrong Harefa, Jesslyn Elisandra Harefa (2024)

First publication right:

Advances in Social Humanities Research

This article is licensed under:

